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STATE OF MISSISSIPPI

OFFICE OF THE STATE AUDITOR

RAY MABUS, STATE AUDITOR

STATE OF MISSISSIPPI

For the Year Ended June 30, 1985
Financial Report

STATE OF MISSISSIPPI

For the Year Ended June 30, 1985

Financial Report

Ray Mabus
State Auditor

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State of Mississippi
Office of the State Auditor

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STATE OF MISSISSIPPI

1985 Financial Report

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STATE OF MISSISSIPPI

LETTER OF TRANSMITTAL

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR

RAY MABUS
STATE AUDITOR

POST OFFICE BOX 956
JACKSON, MISSISSIPPI 39205-0956
(601) 359-3561

October 27, 1986

The Governor
and
Members of the Legislature

It is my pleasure to transmit to you the Financial Report of the State of Mississippi for the fiscal year ended June 30, 1985.

The financial statements presented in this report have been prepared in conformance with generally accepted accounting principles (GAAP). This is the first time that the State of Mississippi has issued a comprehensive GAAP report such as this that sets forth the financial position of the State as a whole. This report provides in one place the financial picture of the operations of Mississippi's state government: its cash on hand, its investments, information on its fixed assets and long-term obligations, changes in fund balances, and information on pension fund obligations.

This report was prepared by our GAAP Project Team using the fiscal year 1985 audits conducted by our Division of State Agency Audits and GAAP financial statements prepared by the individual state agencies. The publication of this report is a prelude to distribution of the audited comprehensive annual financial report for the fiscal year ended June 30, 1986, that our office will issue in January in conjunction with the State Fiscal Management Board.

Generally accepted accounting principles are uniform minimum standards of and guidelines to financial accounting and reporting. Accounting and financial reporting for state and local governments is guided by the principles set forth by the Governmental Accounting Standards Board. Adherence to generally accepted accounting principles assures that financial reports of all state and local governments, regardless of jurisdictional legal provisions and customs, contain the same types of financial statements and disclosures, for the same categories and types of funds and account groups, based on the same measurement and classification criteria. This provides a common ground on which to compare state and local government financial reports. In addition, Standard and Poor's Corporation has issued a position that the presence of GAAP financial reporting would influence its credit rating of states and other governmental entities. Moody's Investor Service has also stated that it supports greater comparability and improvements in financial reporting standards.

Since March, 1984, our office has been working to adapt the State's accounting system to allow for financial reporting based on generally accepted accounting principles. As part of that process, our office prescribed the 560-page Mississippi Agency Accounting Policies and Procedures manual as well as prescribing GAAP financial statements for each agency to use. In addition, we held four training sessions for agency personnel over the course of the last two and one-half years. The issuance of this 1985 report represents the final step in this process before publication of the 1986 audited comprehensive annual financial report.

The only statewide financial report provided to you in the past was the Annual State Financial Report prepared by the Department of Public Accounts from its cash-based records. While this publication provided details of cash inflow and outflow and ending cash balances for monies collected and disbursed through the state treasury, it did not present the total financial position of the State of Mississippi at a given point in time, nor did it present the results of the State's operations or changes in financial position.

The following table is a summary of some of the basic differences between the Department of Public Accounts (DPA) Annual State Financial Report and the GAAP-basis financial statements presented in the report:

	DPA Cash-basis Financial Report	GAAP-basis Financial Statements
Cash balances in the state treasury at year-end	Reflected cash balances at June 30, reduced by lapse period disbursements	Reflects June 30 balances
Cash balances in private bank accounts	Not included	Included
Investments of the State or its agencies	Not included	Included
Receivables of the State or its agencies	Not included	Included
Fixed assets of the State or its agencies	Not included	Included
Other assets of the State or its agencies	Not included	Included
Liabilities of the State or its agencies	Not included	Included
Fund balances of the State or its agencies	The only fund balances presented are the cash balances in the treasury funds	Fund balances are presented. Those fund balances that are legally restricted to a specific future use are reported as reserved. Unreserved designated fund balances reflect the State's tentative plans for the future use of the related resources.
Revenue recognition	Revenue recognized when cash received	Revenue recognized as earned and available, not necessarily when the actual cash is received
Expenditure recognition	Expenditures recognized when paid	Expenditures recognized when the related obligation is incurred (i.e., when services are rendered or products received)
Transactions between agencies and/or treasury funds	Reported as revenues and expenditures, which artifically inflates revenues and expenditures	Reported as interfund transfers
Loans granted by agencies	Reported as expenditures	Reported as assets

	DPA Cash-basis Financial Report	GAAP-basis Financial Statements
Summary of significant accounting policies	Not included	A detailed summary of significant accounting policies is presented as an integral part of the financial statements.
Other disclosures	Detailed information regarding cash received and disbursed was presented for each treasury fund	The accompanying notes to the financial statements, in addition to presenting the significant accounting policies, include narratives that provide detailed information on various financial statement accounts as well as information that is not required to be presented on the face of the financial statements.

This report, which has been prepared to provide you with a general understanding and working knowledge of a statewide GAAP-basis financial report, represents a compilation of the financial statements of individual state agencies. These statewide financial statements were not subject to an audit due to time and staffing limitations. In addition, they are being used as part of the process towards producing Mississippi's 1986 comprehensive annual financial report, which will be audited and issued in January, 1987. The 1986 comprehensive annual financial report will contain additional information not presented in this report, such as budgetary comparisons, financial statements of the university funds, and statistical data.

Ray Mabus

RAY MABUS
State Auditor

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR

RAY MABUS
STATE AUDITOR

POST OFFICE BOX 956
JACKSON, MISSISSIPPI 39205-0956
(601) 359-3561

October 27, 1986

The Governor
and
Members of the Legislature

We have compiled the accompanying financial statements of the State of Mississippi as of and for the year ended June 30, 1985, as listed in the foregoing table of contents, in accordance with standards established by the American Institute of Certified Public Accountants. These statewide financial statements have been prepared in accordance with the accounting principles promulgated by the Governmental Accounting Standards Board, except as described in the following paragraph.

A Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual, All Budgetary Funds and a Combined Statement of Changes in Financial Position - All Proprietary Fund Types, Nonexpendable and Pension Trust Funds, certain required note disclosures, and financial statements of the university funds are not included in the State's 1985 financial statements. Their inclusion is necessary for the presentation of general purpose financial statements in accordance with generally accepted accounting principles.

We have not audited the accompanying financial statements and, accordingly, do not express an opinion on them.

Ray Mabus

RAY MABUS
State Auditor

RM:ccr

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STATE OF MISSISSIPPI

GENERAL PURPOSE FINANCIAL STATEMENTS

STATE OF MISSISSIPPI

Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1985

	Governmental Fund Types	
	General	Special Revenue
Assets:		
Cash and cash equivalents	$435,060,939	$54,482,356
Amount on deposit with U.S. Treasury		
Investments		
Receivables, net	248,940,651	16,075,231
Interfund receivables	83,003,106	4,334,575
Food stamps on hand	80,782,064	
Inventories	29,598,795	446,844
Prepaid expenses		
Loans and notes receivable	7,650,525	941,292
Advances to other funds	5,806,803	
Restricted assets		
Property, plant and equipment, net		
Deferred charges and other assets	456,997	218,324
Amount available in debt service fund		
Amount to be provided for retirement of long-term obligations		
Total Assets, Amounts Available and Amounts to be Provided for Retirement of Long-term Obligations	$891,299,880	$76,498,622
Liabilities:		
Warrants payable	$ 94,239,364	$
Accounts payable and accruals	81,906,769	12,689,880
Due to other governments	59,399,845	1,288,224
Interfund payables	91,223,315	8,100,237
Amounts held in custody for others		
Deferred revenues	100,643,472	8,938,662
Loans and notes payable		
Loans from other funds		
Bonds payable		
Other obligations	11,367,792	176,215
Total Liabilities	438,780,557	31,193,218
Fund Equity:		
Contributed capital		
Investment in fixed assets		
Retained earnings:		
Reserved for bond retirement		
Unreserved		
Fund balances:		
Reserved for		
Encumbrances	4,472,158	4,455,253
Inventories	29,598,795	446,844

STATE OF MISSISSIPPI

Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1985

	Proprietary Fund Types		Fiduciary Fund Types	Account Groups		
Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Obligations	Total (Memorandum Only)
$ 59,071,892	$17,031,637	$ 36,926,096	$ 5,335,785	$ 412,176,012	$	$	$1,020,084,717
				311,488,064			311,488,064
159,689,795		120,583,306		1,853,060,874			2,133,333,975
2,141,367		23,346,858	493,487	101,543,897			392,541,491
	3,618,613	50,000	1,256,973	105,385,120			197,648,387
							80,782,064
		3,832,678					33,878,317
		93,267					93,267
		321,720,464					330,312,281
							5,806,803
			1,577,180				1,577,180
		32,607,725	4,767,911	3,770,442	647,510,695		688,656,773
		1,832,796					2,508,117
						220,903,054	220,903,054
						530,542,248	530,542,248
$220,903,054	$20,650,250	$540,993,190	$13,431,336	$2,787,424,409	$647,510,695	$751,445,302	$5,950,156,738
$	$	$	$	$	$	$	$ 94,239,364
	8,536	15,411,532	678,202	76,196,535			186,891,454
				54,527,521			115,215,590
		286,753	733,152	102,850,477			203,193,934
				71,854,836			71,854,836
		1,752,335					111,334,469
		5,455,825					5,455,825
			2,287,030				2,287,030
		398,580,173				718,578,000	1,117,158,173
		932,094	1,783,690	7,132,746		32,867,302	54,259,839
	8,536	422,418,712	5,482,074	312,562,115		751,445,302	1,961,890,514
		8,304,773					8,304,773
					647,510,695		647,510,695
		332,630					332,630
		109,937,075	7,949,262				117,886,337
							8,927,411
							30,045,639

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STATE OF MISSISSIPPI

Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1985

(continued)

	Governmental Fund Types	
	General	Special Revenue
Long-term portion of loans and notes receivable	7,650,525	718,470
Advances to other funds	5,806,803	
Pension benefits		
Other specific purposes		1,648,662
Unreserved:		
Designated for debt service		
Designated for highway construction	134,347,008	
Designated for other specific purposes	101,519,510	5,933,411
Undesignated	169,124,524	32,102,764
Total Fund Equity	452,519,323	45,305,404
Total Liabilities and Fund Equity	$891,299,880	$76,498,622

The accompanying notes to the financial statements are an integral part of this statement.

STATE OF MISSISSIPPI

Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1985

		Proprietary Fund Types		Fiduciary Fund Types	Account Groups		
Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Obligations	Total (Memorandum Only)
							8,368,995
							5,806,803
				2,136,672,053			2,136,672,053
				338,137,478			339,786,140
220,903,054							220,903,054
							134,347,008
	20,641,714			52,763			128,147,398
							201,227,288
220,903,054	20,641,714	118,574,478	7,949,262	2,474,862,294	647,510,695		3,988,266,224
$220,903,054	$20,650,250	$540,993,190	$13,431,336	$2,787,424,409	$647,510,695	$751,445,302	$5,950,156,738

STATE OF MISSISSIPPI

Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances -
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended June 30, 1985

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
Taxes	$1,749,646,278	$ 5,711,741	$	$	$140,094,658	$1,895,452,677
Licenses, fees and permits	18,447,787	28,865,073	30,000		45,794,912	93,137,772
Federal government	837,810,350	311,510,279			17,922,889	1,167,243,518
Interest income	38,193,707	2,053,723	15,737,676		360,369	56,345,475
Departmental services	154,963,250	1,471,690				156,434,940
Other	24,860,620	3,509,818	21,379,015		29,056,038	78,805,491
Total Revenues	2,823,921,992	353,122,324	37,146,691		233,228,866	3,447,419,873
Expenditures:						
Current:						
General government	333,776,435	149,509,896			38,622,314	521,908,645
Education	718,429,797	85,816,768				804,246,565
Health and social services	888,704,497	71,065,015			124,428,789	1,084,198,301
Law, justice and public safety	105,798,966	10,412,357				116,211,323
Recreation and resources development	49,232,245	17,668,378				66,900,623
Regulation of business and professions		10,486,327				10,486,327
Transportation	366,745,273	6,827,235				373,572,508
Debt service:						
Principal	7,306,000		15,310,000			22,616,000
Interest and other fiscal charges	2,274,355		41,167,976			43,442,331
Capital outlay				24,037,080		24,037,080
Total Expenditures	2,472,267,568	351,785,976	56,477,976	24,037,080	163,051,103	3,067,619,703
Excess of Revenues over (under) Expenditures	351,654,424	1,336,348	(19,331,285)	(24,037,080)	70,177,763	379,800,170
Other Financing Sources (Uses):						
Operating transfers in	8,272,294	10,319,789	57,921,198	19,638,584		96,151,865
Operating transfers (out)	(341,971,419)	(10,105,526)			(228,582)	(352,305,527)
Other financing sources		689,013				689,013
Net Other Financing Sources (Uses)	(333,699,125)	903,276	57,921,198	19,638,584	(228,582)	(255,464,649)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	17,955,299	2,239,624	38,589,913	(4,398,496)	69,949,181	124,335,521
Fund Balances July 1, 1984, as Previously Reported	426,745,922	34,014,518	182,313,141	25,106,244	256,925,850	925,105,675
Restatement of Fund Balances	6,795,761	9,052,085		(66,034)	(2,173,005)	13,608,807
Fund Balances July 1, 1984, as Restated	433,541,683	43,066,603	182,313,141	25,040,210	254,752,845	938,714,482

STATE OF MISSISSIPPI

Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances -
All Governmental Fund Types and Expendable Trust Funds
For the Year Ended June 30, 1985

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Increase (Decrease) in Reserve for Inventories	1,022,341	(823)				1,021,518
Fund Balances June 30, 1985	$ 452,519,323	$ 45,305,404	$220,903,054	$ 20,641,714	$324,702,026	$1,064,071,521

The accompanying notes to the financial statements are an integral part of this statement.

STATE OF MISSISSIPPI

Combined Statement of Revenues, Expenses and Changes in Fund Equity -
All Proprietary Fund Types and Similar Trust Funds
For the Year Ended June 30, 1985

	Proprietary Fund Types		Fiduciary Fund Types		Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	Pension Trust	
Operating Revenues:					
Charges for sales and services	$ 28,787,123	$10,603,865	$	$	$ 39,390,988
Contributions				245,738,161	245,738,161
Interest and other investment income	43,761,511		1,500,007	142,172,854	187,434,372
Rental income	2,825,419				2,825,419
Other	4,965,653		1,497,747		6,463,400
Total Operating Revenues	80,339,706	10,603,865	2,997,754	387,911,015	481,852,340
Operating Expenses:					
Costs of sales and services	14,606,537				14,606,537
Benefits				107,707,478	107,707,478
Refunds				40,760,961	40,760,961
Administrative expenses	17,679,973	7,925,367		4,811,134	30,416,474
Other	42,551,579	1,307,139		42,241	43,900,959
Total Operating Expenses	74,838,089	9,232,506		153,321,814	237,392,409
Operating Income (Loss)	5,501,617	1,371,359	2,997,754	234,589,201	244,459,931
Nonoperating Revenues	130,546			705,836	836,382
Nonoperating Expenses	1,321,550	182,045			1,503,595
Income (Loss) Before Operating Transfers	4,310,613	1,189,314	2,997,754	235,295,037	243,792,718
Operating Transfers In	3,872,915	627,152		3,508,487	8,008,554
Operating Transfers (Out)			(1,724,653)	(3,508,487)	(5,233,140)
Net Income (Loss)	8,183,528	1,816,466	1,273,101	235,295,037	246,568,132
Retained Earnings/Fund Equity July 1, 1984, as Previously Reported	102,122,379	2,848,086	12,215,114	1,901,457,423	2,018,643,002
Restatement of Retained Earnings/Fund Equity	(36,202)	3,284,710		(80,407)	3,168,101
Retained Earnings/Fund Equity July 1, 1984, as Restated	102,086,177	6,132,796	12,215,114	1,901,377,016	2,021,811,103
Retained Earnings/Fund Equity June 30, 1985	$110,269,705	$ 7,949,262	$ 13,488,215	$2,136,672,053	$2,268,379,235

The accompanying notes to the financial statements are an integral part of this statement.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation - The accompanying financial statements of the State of Mississippi have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

B. Financial Reporting Entity - For financial reporting purposes, in conformance with National Council of Governmental Accounting (NCGA) Statement 3, "Defining the Governmental Reporting Entity", as recognized by GASB Statement 1, the State of Mississippi includes all fund types and account groups of the various commissions, departments, boards, and elected officials of the State, as well as other organizational units over which the State's legislative and/or executive branches exercise oversight authority (hereinafter referred to collectively as "agencies"). Oversight responsibility is defined to include: selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, scope of public service, and/or special financing relationships.

In addition, based on the application of NCGA Statement 3 criteria, the following organizations have been determined to be part of the State reporting entity and are included in the accompanying financial statements:

- County health departments
- County welfare departments
- Mississippi Housing Finance Corporation
- Mississippi Hospital Equipment Financing Authority
- Mississippi Industries for the Blind
- Port Authority at Gulfport
- Yellow Creek Inland Port
- Certified Development Corporation
- Allied Enterprises
- Public Employees' Retirement System

The following organizations have been determined not to be part of the reporting entity based on consideration of the manifestations of oversight, scope of public service, or special financing relationships criteria of NCGA Statement 3 and are therefore excluded from the accompanying financial statements because the State does not control the assets, operations or management of the respective entities:

- Cities, townships and counties
- Coast Coliseum
- Waterway districts
- Planning and development districts
- School districts
- Drainage districts
- Soil and water conservation districts
- Locally controlled two-year colleges
- Locally controlled vocational-technical schools
- Regional libraries
- Regional mental health centers
- Regional airports
- Levee boards
- City and county ports and harbors

Based on the application of NCGA Statement 3 criteria, universities and related organizations have been determined to be part of the State reporting entity but are excluded from the accompanying financial statements because a compilation of their financial data was not available.

C. Fund Accounting - The financial activities of the State are recorded in individual funds and account groups classified in the accompanying financial statements by type and described below. The fund types include governmental funds, proprietary funds, and fiduciary funds. Account groups are presented for general fixed assets and general long-term obligations. Each individual fund and account group is a separate accounting entity segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

GOVERNMENTAL FUND TYPES

General - Transactions related to resources obtained and used for those services traditionally provided by a state government, which are not required to be accounted for in other funds, are accounted for in the General Fund. These services include, among others, general government, education (other than institutions of higher learning), health and social services, and transportation. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements.

Special Revenue - Transactions related to resources obtained from specific revenue sources (other than for expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes are accounted for in special revenue funds. Special revenue funds account for, among others, federal grant programs, taxes levied with statutorily defined distributions, and other resources restricted as to purpose.

Debt Service - Transactions related to resources obtained and accumulated to pay interest and principal on general long-term obligations (other than capital leases and compensated absences) are generally accounted for in debt service funds.

Capital Projects - Transactions related to resources obtained and used for the acquisition, construction or improvement of major capital facilities are accounted for in capital projects funds. Such resources are derived principally from proceeds of general obligation bond issues, federal grants and operating transfers from the General Fund.

PROPRIETARY FUND TYPES

Enterprise - Enterprise funds account for operations where the intent of the State is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where periodic measurement of the results of operations is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service - Internal service funds account for the operations of State agencies which render services and provide goods to other State agencies or governmental units on a cost-reimbursement basis.

FIDUCIARY FUND TYPES

Trust

Expendable - Expendable trust funds account for assets held by the State in a trustee capacity where the principal and income may be expended in the course of the funds' designated operations.

Nonexpendable - Nonexpendable trust funds account for assets held by the State in a trustee capacity where only income derived from the principal may be expended in the course of the funds' designated operations. The principal must be preserved intact.

Pension - Pension trust funds account for transactions, assets, liabilities and net assets available for plan benefits of the State's public employee retirement systems.

Agency - Agency funds account for various taxes, deposits, and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

ACCOUNT GROUPS

General Fixed Assets - The General Fixed Assets Account Group accounts for all fixed assets acquired or constructed for use by the State, other than those accounted for in the proprietary and fiduciary funds.

General Long-term Obligations - The General Long-term Obligations Account Group accounts for general obligation bonds outstanding, accrued compensated absences and other long-term obligations not recorded in proprietary and fiduciary funds.

D. Basis of Accounting

Governmental Fund Types and Expendable Trust and Agency Funds - The accounts of the General, special revenue, debt service, capital projects, expendable trust and agency funds are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available to finance operations during the year or liquidate liabilities existing at the end of the year; expenditures and liabilities are recognized upon receipt of goods and services. Significant revenue sources which are susceptible to accrual include sales taxes, individual income taxes, corporate income taxes, federal grants and departmental services. Modifications to the accrual basis of accounting include:

- Interest on long-term obligations reflected in the General Long-term Obligations Account Group is recognized in the debt service funds when it becomes payable.

- Inventories of materials and supplies are recorded as expenditures at acquisition.

- Obligations for employees' personal leave and major medical leave are recorded as expenditures when paid.

- Licenses, fees, permits and other miscellaneous revenues are recognized when received since they normally are only measurable at that time.

- Encumbrances represented by executed but unperformed purchase orders are recorded as reservations of fund balance as of the end of the fiscal year for subsequent year expenditure.

Proprietary Fund Types and Nonexpendable and Pension Trust Funds - The accounts of the enterprise, internal service, nonexpendable trust and pension trust funds are reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

E. Budgetary Accounting - The State's annual budget is prepared principally on the cash basis. Unexpended appropriations are available for subsequent expenditure to the extent that encumbrances have been incurred at June 30, provided they are presented for payment during the succeeding 60 day lapse period. (See also Note 2.)

F. Cash and Cash Equivalents - Cash and cash equivalents include bank accounts, petty cash, and short-term investments such as certificates of deposit, repurchase agreements and U.S. Treasury bills, bonds and notes. These investments are stated at cost which at June 30, 1985 approximated market. Collateral, as required by law, is pledged by the various banks and securities dealers to guarantee State funds placed with them. In addition, the State is custodian for certain other securities, not reported in the accompanying financial statements, which collateralize contractor/vendor performance.

G. Investments - Investments, which represent long-term investments of the State, are generally recorded at cost. The pension trust fund portfolio includes debt securities stated at cost adjusted for amortization of premiums and accretion of discounts and equity securities stated at cost. Investments of the Government Employees' Deferred Compensation Plan Fund (an agency fund) are stated at market except for life insurance contracts which are stated at cash surrender value.

H. Receivables - Receivables in the governmental and fiduciary funds primarily consist of interest and federal revenues, both recorded when earned, and taxes that are susceptible to accrual - mainly sales and income taxes. Receivables in the proprietary funds arose in the ordinary course of business. Receivables are reported net of allowances for uncollectible accounts where applicable.

I. Interfund Transactions - The State has the following types of interfund transactions:

- Quasi-external transactions - Charges for services rendered by one fund to another that are treated as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

- Reimbursements - Reimbursements of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

- Residual Equity Transfers - Nonroutine or nonrecurring transfers between funds are reported as additions to or deductions from fund equity.

- Operating Transfers - Legally authorized transfers other than residual equity transfers are reported as operating transfers.

Interfund transfers and interfund receivables and payables presented in the accompanying financial statements do not balance because of the exclusion of university funds from the financial statements.

J. Inventories - Inventories of supplies and materials are principally determined by physical count and are stated at the lower of cost, generally using the first-in, first-out method, or market. Cost of inventories held for use in constructing highways is determined by the weighted average method.

K. Property, Plant and Equipment

General Fixed Assets - General fixed assets are stated at cost or, for donated assets, at market value at the time of donation. Lands deeded to the State at its formation (1,117,838 acres) are recorded at $1 per acre. Records for certain lands acquired as a result of property tax forfeitures are incomplete or unavailable. Accordingly, these lands are not included in general fixed assets. Because the sale of such lands has historically generated extremely small revenues and because no bids were received on these lands when they were publicly auctioned, they are deemed to have had insignificant value at the date of receipt. Certain public domain (infrastructure) general fixed assets, principally highways, bridges and rights-of-way, are not capitalized. Depreciation is not provided on general fixed assets.

Proprietary and Fiduciary Fund Types - Property, plant and equipment are stated at cost or, for donated assets, at market value at the time of donation. Generally, property, plant and equipment, excluding land, are depreciated on the straight-line method over the estimated service lives of the respective assets, ranging from 20 to 50 years for buildings and improvements, 18 years for water transport vessels, and 3 to 10 years for machinery and equipment.

L. Accumulated Unpaid Personal Leave and Major Medical Leave

Mississippi State law authorizes payment for a maximum of 30 days accrued personal leave in a lump sum upon termination of employment. No payment is authorized for accrued major medical leave unless the employee presents medical evidence that his physical condition is such that he can no longer work in a capacity of State government. The State's liability for accumulated

unpaid personal leave up to a maximum of 30 days per employee is reported in the accompanying General Long-term Obligations Account Group for all governmental fund types. In the proprietary and similar trust fund types, this obligation is reported as a liability of the respective funds. In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current-year expenditures. The State uses the last-in, first-out method of recognizing the use of compensated absences. The reported liability for accumulated unpaid personal leave applicable to all fund types includes the related fringe benefits that the State as employer is required to pay when the accrued compensated absences are liquidated.

Accumulated unpaid major medical leave is not accrued because it is not probable that the compensation will be paid other than in the event of illness.

M. Fund Equity Reservations/Designations

Reservations

Governmental and Fiduciary Fund Types - Fund balances of governmental and fiduciary fund types which are legally restricted to a specific future use or that are not available for appropriation or expenditure are reported as reservations of fund balances.

Proprietary Fund Types - Reserved retained earnings of the proprietary funds represent primarily those portions of fund balance that are legally restricted for payment of debt service.

Designations

Designations of unreserved fund balances in governmental and fiduciary fund types reflect the State's tentative plans for future use of financial resources.

N. Federal Grants - Federal grants and assistance awards made on the basis of entitlement periods are recorded as receivables and revenues when entitlement occurs. Federal reimbursement type grants are recorded as revenues when the related expenditures or expenses are recognized. Uses of grant resources are conditioned upon compliance with terms of the grant agreements and applicable federal regulations which include subjecting grants to financial and compliance audits.

O. Total (Memorandum Only) Columns - "Total (Memorandum Only)" columns represent an aggregation of the combined financial statements of each fund type and account group. They are presented for information only and do not represent consolidated financial information.

NOTE 2 - BUDGETARY PROCESS AND CONTROL

Mississippi State law requires both the Governor and the Legislative Budget Office to prepare and submit to the Legislature at the beginning of each annual session an overall balanced budget for the ensuing fiscal year. The Legislature compares these budgets, makes any revisions it deems necessary or appropriate, and legally enacts an annual state budget through passage of specific departmental appropriation bills by organizational activity and major expenditure classification, the sum of which may not exceed estimated revenues. The Governor has the power to approve or veto each line item appropriation. Vetoes are subject to legislative override.

The budget covers most funds included in the State reporting entity but excludes endowment funds, research funds from other than state appropriations, and private gifts to designated agencies or for designated purposes which are not subject to appropriation pursuant to State law. Also excluded are revolving funds and funds classified in the accompanying financial statements as debt service funds.

The State has established two budgetary fund groups to account for its budgetary activities:

General - funds established to receive and distribute general tax revenues and interest generated thereon.

Special - funds established to receive federal grants, fees, proceeds from the sale of goods and services, taxes levied for specific purposes and interest generated thereon, and to support the functional activities of the agencies that generate such revenues.

Appropriations may include both general and special fund revenues with no specific delineation of the major expenditure classification limitations applicable to a general or special fund.

State agencies are responsible for exercising budgetary control and ensuring that appropriations are not overspent. The level of budgetary control is at the agency level by organizational activity and major expenditure classification (e.g., personal services, contractual services, commodities) as established by approved appropriation bills. Agencies are authorized to transfer appropriated amounts between major expenditure classifications up to an increase of 10% of any major expenditure classification except that the amount budgeted for salaries cannot be changed and the amount budgeted for capital outlay - equipment cannot be increased. Special fund appropriations for organizational activities or programs funded entirely from federal revenues permit expenditures in excess of original appropriations to the extent that revenues from federal funding sources exceed original budget estimates. The Department of Public Accounts (as of October 1, 1986 the Financial Control Division of the State Fiscal Management Board) monitors budget compliance.

If, at the end of October or any month thereafter of any fiscal year, general fund revenues collected for the fiscal year fall below 98% of the estimate adopted by the Legislative Budget Office at the date of sine die adjournment, the State Fiscal Management Board is required by statute to reduce allotments of appropriations to general fund agencies by the amount necessary to keep expenditures within actual general fund receipts for the fiscal year. No agency's allotment may be reduced by more than 5% unless allotments to all general fund agencies have been reduced by 5%. Any required reductions in excess of 5% must consist of a uniform percentage reduction to all general fund agencies. Reduced allotments may be restored if revenue collections exceed revised estimates. For the year ended June 30, 1985, no general fund appropriation allotment to any agency was reduced.

NOTE 3 - OTHER ACCOUNTING DISCLOSURES

Restatement of Fund Balances (Deficits) - Fund balances (deficits) at July 1, 1984 have been restated to reflect changes in accounting and reporting to conform more closely with generally accepted accounting principles. The bulk of the restatements represents changing fund type classifications due to the change in focus of financial reporting of the entity from an individual agency perspective to the State as a whole.

The effect of these restatements on fiscal year 1984 revenues and expenditures has not been quantified since similar adjustments would be required at July 1, 1983, and that information is not available.

NOTE 4 - TAXES RECEIVABLE

Taxes receivable as of June 30, 1985 consisted of the following:

Sales and use	$ 86,371,981
Income	31,654,597
Petroleum, oil and gas	19,207,720
Other	11,988,845
Total taxes receivable	$149,223,143

NOTE 5 - LOANS AND NOTES RECEIVABLE

Loans and notes receivable at June 30, 1985 consisted of the following:

	Fund Types			
	General	Special Revenue	Enterprise	Total
Mortgage loans	$	$	$ 292,817,754	$ 292,817,754
Hospital equipment loans			11,405,582	11,405,582
Economic development loans			174,252	174,252
Water pollution control loans			30,466,612	30,466,612
Disaster loans	7,650,525			7,650,525
Railroad revitalization loans		941,292		941,292
Other			234,376	234,376
Loans and Notes Receivable, Net	$ 7,650,525	$ 941,292	$ 335,098,576*	$ 343,690,393

* Total enterprise fund type loans and notes receivable include $13,378,112 of current loans receivable reflected in receivables, net on the Combined Balance Sheet.

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at June 30, 1985 consisted of the following:

	General Fixed Assets Account Group	Fund Types		
		Enterprise	Internal Service	Trust
Land	$ 45,773,867	$ 2,215,339	$	$ 508,000
Buildings and improvements	313,294,743	25,555,477		3,048,555
Machinery and equipment	257,257,219	4,773,520	4,767,911	213,887
Construction in progress	31,184,866	63,389		
Total	$ 647,510,695	$ 32,607,725	$ 4,767,911	$ 3,770,442

Changes in general fixed assets by major asset classification for the year ended June 30, 1985 are presented below:

	Balance July 1, 1984	Transfers in/ Additions	Transfers out/ Deletions	Balance June 30, 1985
Land	$ 43,718,261	$ 2,062,002	$ 6,396	$ 45,773,867
Buildings and improvements	294,777,529	19,008,173	490,959	313,294,743
Machinery and equipment	230,288,711	40,196,985	13,228,477	257,257,219
Construction in progress	641,428,333	20,621,784	630,865,251	31,184,866
Total	$1,210,212,834	$ 81,888,944	$ 644,591,083	$ 647,510,695

The removal of construction in progress relating to certain public domain general fixed assets is reflected in the above table as a deletion because, as explained in Note 1K, the State's policy is not to capitalize them.

NOTE 7 - BOND INDEBTEDNESS

A. Debt Authorization and Limitation - Bond indebtedness incurred by the State of Mississippi must be authorized by legislation governing the specific programs or projects to be financed. Such legislation provides the State Bond Commission authority to approve and authorize the sale and issuance of bonds. The members of the State Bond Commission are the Governor as chairman, the State Attorney General as secretary, and the State Treasurer.

The State's debt limit is established under Section 115 of the Mississippi Constitution which provides:

> Neither the State nor any of its direct agencies, excluding the political subdivisions and other local districts, shall incur a bonded indebtedness in excess of one and one-half (1 1/2) times the sum of all the revenue collected by it for all purposes during any one of the preceding four fiscal years, whichever may be higher.

Current practice restricts revenues included in the computation of the debt limitation to the following general fund and special fund revenues: taxes, license fees and permits, investment income, rental income, service charges including net income from the Alcoholic Beverage Control Division, fines, forfeits, and penalties. Such revenues for the year ended June 30, 1984 approximated $2 billion; therefore the constitutional debt limitation at June 30, 1985 was approximately $3 billion.

B. General Obligation Bonds - General obligation bonds are backed by the full faith, credit and taxing power of the State. Although the enterprise funds' general obligation debt is being retired from the resources of those funds, the State remains contingently liable for its payment. General obligation debt issued to finance the construction and equipping of educational buildings and other facilities for various universities but not secured by a pledge of revenues from related facilities has historically been retired solely from general fund resources; therefore, such debt is accounted for in the General Long-term Obligations Account Group.

C. Revenue Bonds - Revenue bonds are backed by a pledge of income derived from users of the related facilities and are not supported by the full faith and credit of the State.

D. No Commitment Debt (not included in financial statements) - Subsequent to June 30, 1985, the State of Mississippi, by action of the Legislature, created the Mississippi Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning (hereinafter referred to as "the Authority") for the express purpose of assisting private institutions of higher learning in the financing of educational facility projects deemed to be in the public interest. Bonds of the Authority represent obligations payable from payments made by the borrowing entities and are secured by the property financed. Bonds issued in fiscal year 1986 consisted of $3 million for Millsaps College with interest rates from 7 1/2% to 10 1/2% and annual maturities through 2010, and $2 million for Mississippi College with interest rates from 7.5% to 10.5% and annual maturities to 2005. The State has no obligation for this debt.

E. Refunded Bonds - On June 1, 1978, the State issued $443,240,000 in highway refunding bonds to refund the $447,860,000 of highway bonds that were outstanding at that time. The State invested the net proceeds of the refunding bonds in securities held in an escrow account at a local bank that, together with interest earned thereon, will fully provide for the payment of the principal and interest on the refunded bonds when due. Therefore, the refunded bonds are not reflected in the General Long-term Obligations Account Group.

NOTE 8 - OTHER LONG-TERM OBLIGATIONS

A. Compensated Absences - The State of Mississippi's liability for compensated absences reported in the General Long-term Obligations Account Group at June 30, 1985 is $29,308,922. The reported liability includes related fringe benefits and excludes any obligations related to leave accumulations in excess of 30 days per employee. (See Note 1L)

B. Lease Commitments - The State leases property with varying terms and options. Most leases contain a fiscal funding addendum stating that the lease shall terminate on the last day of the fiscal year if appropriated funds for the ensuing fiscal year are insufficient. However, if renewal is reasonably assured, leases requiring appropriation by the Legislature are considered noncancellable leases for financial reporting purposes.

The State of Mississippi's liability for capital lease obligations reported in the General Long-term Obligations Account Group at June 30, 1985 is $3,558,380.

Other required disclosure information on capital lease commitments and on operating lease commitments was not available on a statewide level for the fiscal year ended June 30, 1985.

NOTE 9 - CHANGES IN LONG-TERM OBLIGATIONS

Changes in long-term obligations during the year ended June 30, 1985 are summarized below:

	General Obligation Bonds (Note 7B)	Revenue Bonds (Note 7C)	Other Long-term Obligations (Note 8)
Balance at July 1, 1984, as Restated	$ 741,114,000	$ 80,000	$ 28,895,316
Compensated absences earned			11,197,675
Increase in lease obligations			2,705,297
Principal retirements and defeased bonds	(22,596,000)	(20,000)	(961,262)
Compensated absences taken			(8,969,724)
Balance at June 30, 1985	$ 718,518,000	$ 60,000	$ 32,867,302

NOTE 10 - DEFERRED COMPENSATION PLAN

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees of the State and its political subdivisions, permits participants to defer a portion of their salary until future years, thereby deferring taxation on the portion deferred. The deferred compensation is not available to employees until they are separated from service or face a serious unforeseeable financial emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or his beneficiary) solely the property of the employer (without being restricted to the provisions of benefits under the plan), subject only to the claims of the employers' general creditors. Participants' rights under the plan are equal to those of general creditors of the employers in an amount equal to the fair market value of the deferred account for each participant.

As of June 30, 1985, assets invested on behalf of participants and reported in an agency fund totaled approximately $64 million. The State has no liability for losses on investments under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The State believes that it is unlikely that it will use the assets to satisfy the claims of its general creditors in the future.

NOTE 11 - RETIREMENT PLANS

A. Description of the Plans

The State of Mississippi administers the following defined benefit public employee retirement plans which cover substantially all state employees and employees of various other governmental units:

1. Public Employees' Retirement System

   The Public Employees' Retirement System (PERS) is a cost sharing multiple-employer retirement plan established in 1953 to provide coverage to substantially all state employees and to teachers and other employees of public schools and colleges. Any political subdivision or juristic entity may elect to have its employees participate in PERS. The State is the dominant employer.

2. Mississippi Highway Safety Patrol Retirement System

   The Mississippi Highway Safety Patrol Retirement System (MHSPRS) is a single-employer public employee retirement system established in 1958 to provide coverage to uniformed officers of the highway patrol.

In addition to participation in PERS, eligible faculty of the various state universities may elect to become members of the Teachers' Insurance and Annuity Association (TIAA-CREF), a privately administered defined contribution retirement plan. The State neither contributes to this plan nor assumes any liability for this group of TIAA-CREF members.

B. Participation

All members of MHSPRS are employed by the State. Active PERS members by employer type at June 30, 1985 were as follows:

State Agencies	29,413
Universities	13,329
Public Schools	51,114
Junior Colleges	4,965
Counties	8,924
Municipalities	12,326
Juristic Entities	5,514
Total	125,585

C. Benefit Provisions

1. Public Employees' Retirement System

   Participating employees who retire at or after age 65 with 4 years of credited service or those who retire regardless of age with at least 30 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 5/8% of their final-average salary for each year of credited service up to 20 years, 1 3/4% for each year of credited service in excess of 20 years up to and including 30 years, and 2% for each year of credited service over 30 years. Final-average salary is the employee's average salary over the last four years of credited service. Employees with 4 to 29 years of credited service may retire at or after age 60 but before age 65 and receive a reduced retirement benefit. A member may elect an option for a reduced allowance payable throughout his life with the provision that, after his death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon reaching 4 years of credited service. The system also provides certain death and disability benefits.

Retirees and beneficiaries who on December 1 of each year are receiving a retirement allowance are entitled to receive an additional payment equal to 2 1/2% of the annual retirement allowance for each full fiscal year of retirement. These persons may also receive an additional amount, as determined by the PERS Board of Trustees contingent on sufficient funding, calculated in increments of 1/4 of 1%, not to exceed 1 1/2% of the annual retirement allowance for each full year of retirement.

2. Mississippi Highway Safety Patrol Retirement System

Participating employees who withdraw from service at or after age 55 with at least 10 years of credited service are entitled to an annual retirement benefit, payable monthly, in an amount equal to 2 1/2% of their average compensation, based on their 5 highest consecutive years, for each year of credited service. Employees with at least 20 years of credited service may retire between ages 45 and 54 and receive a reduced retirement benefit. Benefits vest upon reaching 5 years of credited service. The system also provides certain death and disability benefits.

Retirees and beneficiaries who on December 1 of each year are receiving a retirement allowance are entitled to receive an additional payment equal to 2 1/2% of the annual retirement allowance for each full fiscal year of retirement. These persons may also receive an additional amount, as determined by the PERS Board of Trustees contingent on sufficient funding, calculated in increments of 1/4 of 1%, not to exceed 1 1/2% of the annual retirement allowance for each full year of retirement.

D. Employee and Employer Obligations to Contribute

Employees covered by PERS and MHSPRS are required to contribute 6% and 6.5%, respectively, of their salary. If an employee leaves covered employment, accumulated employee contributions plus related investment earnings allocations are refunded to the employee at his request. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and investment earnings allocations are paid to the designated beneficiary. Each employer contributes the remaining amounts necessary to finance the participation of its own employees in the system. Employer contributions are determined annually as a level percentage of payroll and were set at 8 3/4% for PERS and 27.97% for MHSPRS for the year ended June 30, 1985. Employee and employer contribution rates are based on actuarial consultations which consider pension cost calculated in accordance with the provisions of Accounting Principles Board (APB) Opinion No. 8.

E. Summary of Significant Accounting Policies and Investments

The accounting policies of PERS and MHSPRS conform to generally accepted accounting principles applicable to public employee retirement systems. Equity securities are reported at cost subject to adjustment for market declines judged to be other than temporary. Fixed-income securities are reported at amortized cost with discounts and premiums amortized using the effective interest method. Cash equivalents are reported at cost which approximates market. The book value and market values of PERS debt and equity securities investments at June 30, 1985 were $1,783,415,503 and $1,882,986,027, respectively.

The systems use the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are rendered. Investment income is recognized as earned. The cost of equity securities sold is determined using the average cost method. Cost of fixed-income securities is based on the first-in, first-out method. Gains and losses on exchanges (or "swaps") of fixed-income securities are recognized using the completed-transaction method. All of the investment assets of MHSPRS are combined with those of PERS and invested in two investment pools. One pool contains all bonds and related cash and cash equivalents. The other contains all common stock and related cash and cash equivalents. The pools are accounted for as part of the PERS pension trust fund. MHSPRS has equity in the investment fund based upon funds contributed and earnings allocated. Individual investments in the investment fund are not specifically allocated to MHSPRS. MHSPRS's share of investments held in the PERS fund are shown as due from other funds and due to other funds in the accompanying balance sheet.

F. Actuarial Present Value (APV) Data

The Public Employees' Retirement System engages an independent firm of actuaries to calculate the present value of accumulated retirement benefits for the purpose of evaluating the reserves for retired individuals, the funding ratios and the contribution rates of the Public Employees' Retirement System Pension Trust Fund and the Mississippi Highway Safety Patrol Retirement System Pension Trust Fund.

Accumulated retirement benefits are those future periodic payments, including lump sum distributions, that are attributable to the service employees have rendered under plan provisions of the various plans. The present value of accumulated retirement benefits are calculated based on the projected benefit method with level percentage entry age normal cost and open-end accrued liability.

The following schedule presents certain information regarding the carrying value of assets, estimated present value of accumulated plan benefits for active, inactive, and retired members and the related funding ratio as of June 30, 1984, the most recent actuarial valuation date:

System	Carrying Value of Assets	Estimated Present Value of Accumulated Plan Benefits	Funding Ratio
Public Employees' Retirement System	$1,846,146,515	$1,546,589,748	119%
Mississippi Highway Safety Patrol Retirement System	48,857,991	35,356,232	138%

Significant assumptions underlying the actuarial computations include: a) assumed rate of return on investments of 9 1/2%; b) assets valued at carrying value; and c) mortality, vesting, retirement age, and withdrawal estimates based on tables furnished by the actuary.

The following contribution rates were effective at June 30, 1984:

System	Contribution Rates Member	Employer
Public Employees' Retirement System	6%	8.75%
Mississippi Highway Safety Patrol Retirement System	6.5%	26.16%

The following schedule presents the results of the actuary's valuation which show present and prospective assets and prospective liabilities of the retirement systems at June 30, 1984:

	Public Employees' Retirement System	Mississippi Highway Safety Patrol Retirement System
(1) Actuarial Liabilities		
Present value of prospective benefits payable in respect of:		
(a) Present retired members and beneficiaries	$ 892,581,434	$ 22,792,114

	Public Employees' Retirement System	Mississippi Highway Safety Patrol Retirement System
(b) Present active and inactive members	$3,272,412,258	$ 74,663,888
(c) Total actuarial liabilities	4,164,993,692	97,456,002
(2) Net Assets of the System	1,846,146,515	48,598,011
(3) Unfunded Value of Prospective Benefits = (1)(c) - (2)	2,318,847,177	48,857,991
(4) Present Value of Future Contributions by Members at 6.00% of Payroll	850,736,025	9,409,806
(5) Total Prospective Contributions by the Employer = (3) - (4)	1,468,111,152	39,448,185
(6) Present Value of 1% of Future Compensation	141,789,353	1,447,663
(7) Present Value of Future Normal Contributions by the Employer at 4.21% of Payroll = (6) x 4.21	596,933,176	21,946,571
(8) Present Value of Accrued Liability Contributions by Employer = (5) - (7)	871,177,976	17,501,614
(9) Accrued Liability Rate (of Payroll)	4.54%	12.81%
(10) Accrued Liability Liquidation Period	17 Years	14 Years

NOTE 12 - CONTINGENCIES

A. Federal Grants - The State has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from an audit may become a liability of the State. The State estimates that the ultimate disallowance pertaining to these grants, if any, will be immaterial to its overall financial condition.

Examples of potential liabilities resulting from audit disallowances or questioned costs are:

1. Developmental Learning Association and Learning Development Corporation Audit Disallowances

The United States Department of Health and Human Services has disallowed $468,216 of contract expenditures disbursed by the Mississippi State Department of Public Welfare during the period from October 1, 1976 to August 14, 1978, alleging that services were not performed by the Mississippi State Department of Public Welfare's subcontractors as required by the terms of the grant. The Mississippi State Department of Public Welfare appealed the disallowances. On November 7, 1985, the Health and Human Services Departmental Grant Appeals Board rendered a final decision upholding the full amount of the original disallowance of $468,216. The Department of Health and Human Services has provided the Mississippi State Department of Public Welfare with the following schedule for repayment of this disallowance:

Payment	Month Due	Principal	Interest at 9% Per Annum	Total Payment Due	Remaining Balance
	Beginning Balance	$	$	$	$ 468,216
1	March, 1986	33,393	4,799	38,192	434,823
2	April, 1986	33,393	3,261	36,654	401,430
3	May, 1986	33,393	3,011	36,404	368,037
4	June, 1986	33,393	2,760	36,153	334,644
5	July, 1986	334,644	2,510	337,154	-0-

The State Attorney General's office initiated civil action against a former commissioner and other parties alleging unfaithful performance related to the disallowed contract expenditures. While eventual full recovery is uncertain, the Mississippi State Department of Public Welfare has received $67,500 to date which was applied as a reduction of block grant program expenditures related to the federal fiscal years 1983 and 1984. It is the intention of the management of the Mississippi State Department of Public Welfare to apply this reduction as a credit against the disallowance of $468,216. At this date, the Department of Health and Human Services has not agreed to accept this reduction as a credit against the disallowance.

2. Food Stamp Program Quality Control

A review of the food stamp program quality control error rates for fiscal year 1984 performed by the Food and Nutrition Service of the United States Department of Agriculture revealed that the Mississippi State Department of Public Welfare failed to meet their error rate goal under the provisions of Volume 7 of the Code of Federal Regulations Part 275.25(e). This failure to meet the state's error rate goal has placed the Mississippi State Department of Public Welfare in a position of potential liability for a fiscal sanction. The amount of this potential liability has been determined by the Food and Nutrition Service to be approximately $1,731,884. The Mississippi State Department of Public Welfare has requested a "good cause" exception under the provisions of Volume 7 of the Code of Federal Regulations Part 275.25(e)(5). The ultimate outcome of this potential liability cannot presently be determined.

3. Title XX, Social Services Block Grant Program Contingency

A finding in an audit report by Arthur Young and Company on Title XX, Social Services Block Grant for the year ended September 30, 1984, disclosed questioned costs of $743,247. The ultimate outcome of this matter cannot presently be determined.

4. Medicaid Eligibility Quality Control

The Department of Health and Human Services, Health Care Financing Administration, has determined that the Division of Medicaid - Office of the Governor did not meet its Medicaid eligibility quality control target error rate for the period October, 1981 through September, 1982. As a result of this determination, a disallowance of federal financial participation funds in the amount of $732,509 has been imposed. A request for waiver of this disallowance has been submitted by the Division of Medicaid - Office of the Governor.

B. Litigation - The State is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the State with respect to the various proceedings; however, it is believed that any ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the State.

Examples of lawsuits pending against the State at present are:

1. Division of Medicaid - Office of the Governor vs. U.S. Department of Health and Human Services

   The Division of Medicaid - Office of the Governor instituted a case against the U.S. Department of Health and Human Services involving certification of a nursing home facility for Medicaid participation. The Division of Medicaid - Office of the Governor paid the disallowance of $169,535 in fiscal year 1985. The suit has been appealed to the Fifth Circuit Court of Appeals by the Division of Medicaid - Office of the Governor.

2. State of Mississippi, et al., vs. Margaret Heckler

   The State of Mississippi, along with other states, brought suit against Margaret Heckler, past Secretary of the Department of Health and Human Services. This case involves the setting of a three percent error rate tolerance level by the U.S. Congress. The states maintain that the Secretary failed to conform to advance notice requirements when she began enforcing this legislation. Mississippi exceeded the three percent level and a disallowance of $232,540 was imposed. The Division of Medicaid - Office of the Governor has already had this amount deducted from the division's grant awards. This matter is pending before the U.S. District Court for the District of Columbia.

3. Walls, et al., vs. Mississippi State Department of Public Welfare, et al.
   United States of America vs. Mississippi State Department of Public Welfare, et al.

   These cases are class action lawsuits that are alleging racial discrimination in employment practices by the Mississippi State Department of Public Welfare. These cases were consolidated and tried. The cases were appealed to the Fifth Circuit Court of Appeals by all parties and the Fifth Circuit Court of Appeals affirmed the finding of liability against the Mississippi State Department of Public Welfare and remanded the cases to the District Court, where they are now pending for the back-pay stage of the litigation.

   Although management of the Mississippi State Department of Public Welfare cannot currently estimate the eventual settlement, the plaintiffs have computed potential back-pay claims in excess of $2,000,000 through 1980 plus an amount to be calculated for subsequent years. The Mississippi State Department of Public Welfare has also been held liable for attorney's fees, which are currently estimated to be in the range of $500,000.

4. Willie O. Knight, et al., vs. John Fraiser, et al.

   This case was filed seeking to declare invalid United States Department of Agriculture policy and Mississippi State Department of Public Welfare policy that resulted in a reduction of food stamp benefits because these policies provided that receipt of energy assistance vendor payments through the Low-Income Energy Assistance Act of 1981 precluded such household's use of the Standard Utility Allowance in computing their food stamp allotments. A consent order has been entered into by the parties wherein the Mississippi State Department of Public Welfare agreed to review case files of such households and restore lost food stamp benefits and the plaintiff agreed to dismiss action following a report to the court by the defendants that benefits referred to above have been restored to those affected households. Management of the Mississippi State Department of Public Welfare has estimated incidental expenses that will be incurred by the State in complying with the consent order to be approximately $41,500.

5. Mississippi State Tax Commission

   At June 30, 1985, there were various lawsuits that were pending involving the Mississippi State Tax Commission and taxpayers of the State of Mississippi. In some cases, there was litigation which would, if in the event of adverse rulings, result in future tax losses to the State. These cases amounted to $8,659,273. In other pending litigation, cases involved possible refunds to taxpayers, in the event of adverse rulings, which would be paid from special appropriations or as reductions in future taxes. Cases that possibly could require refunds to be granted to taxpayers amounted to $2,681,184.

Subsequent to the balance sheet date of June 30, 1985, several additional cases were filed that could result in refunds to taxpayers. If all cases involved rulings against the commission, these refunds could total $212,902. It is management's opinion that the Mississippi State Tax Commission has a fifty percent chance or better of prevailing in all of these cases. It should be noted, however, that no consideration has been given to potential losses from refund requests from other taxpayers that would be similarly affected as the taxpayers involved in these litigations, if, in fact, adverse rulings were made.

NOTE 13 - SUBSEQUENT EVENTS

Chapter 469, Laws of 1985 (Senate Bill Number 2119) authorized the issuance of additional refunding bonds, providing that bond proceeds shall be invested and the interest may be deposited in the Mississippi State Highway Department fund or pledged toward the payment of the bonds. Any savings associated with any refunding will accrue to the benefit of the Mississippi State Highway Department fund. In September and October, 1985, the State of Mississippi issued Highway Revenue Refunding Bonds, Series 1985, totaling $204,944,908.

GENERAL FUND

The General Fund accounts for resources obtained and used for those services traditionally provided by state government which are not required to be accounted for in another fund.

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STATE OF MISSISSIPPI

Balance Sheet
General Fund
June 30, 1985

Assets:	
Cash and cash equivalents	$435,060,939
Receivables, net:	
Taxes	149,223,143
Interest	1,939,163
Due from other governments	83,214,939
Other	14,563,406
Interfund receivables	83,003,106
Food Stamp Inventory	80,782,064
Inventories	29,598,795
Loans and notes receivable	7,650,525
Advance to other funds	5,806,803
Other assets	456,997
Total Assets	$891,299,880
Liabilities:	
Warrants payable	$ 94,239,364
Accounts payable and accruals	81,906,769
Due to other governments	59,399,845
Interfund payables	91,223,315
Deferred revenues	100,643,472
Other liabilities	11,367,792
Total Liabilities	438,780,557
Fund Balance:	
Reserved for:	
Encumbrances	4,472,158
Inventories	29,598,795
Long-term portion of loans and notes receivable	7,650,525
Other specific purposes - advances	5,806,803
Unreserved:	
Designated for highway construction	134,347,008
Designated for other specific purposes	101,519,510
Undesignated	169,124,524
Total Fund Balance	452,519,323
Total Liabilities and Fund Balance	$891,299,880

STATE OF MISSISSIPPI

Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balance
General Fund
For the Year Ended June 30, 1985

Revenues:	
Taxes	$1,749,646,278
Licenses, fees and permits	18,447,787
Federal government	837,810,350
Interest income	38,193,707
Departmental services	154,963,250
Other	24,860,620
Total Revenues	2,823,921,992
Expenditures:	
Current:	
General government	333,776,435
Education	718,429,797
Health and social services	888,704,497
Law, justice and public safety	105,798,966
Recreation and resources development	49,232,245
Transportation	366,745,273
Debt service:	
Principal	7,306,000
Interest	2,274,355
Total Expenditures	2,472,267,568
Excess of Revenues over (under) Expenditures	351,654,424
Other Financing Sources (Uses):	
Operating transfers to:	
Special revenue funds	(10,319,789)
Debt service funds	(57,921,198)
Capital projects funds	(19,638,584)
Enterprise funds	(86,449)
Internal service funds	(627,151)
College and university funds	(253,378,248)
Operating transfers from special revenue funds	3,600,000
Other financing sources (uses)	4,672,294
Total Other Financing Sources (Uses)	(333,699,125)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	17,955,299
Fund Balance July 1, 1984, as Previously Reported	426,745,922
Restatement of Fund Balance and Prior Period Adjustment	6,795,761
Fund Balance July 1, 1984, as Restated	433,541,683
Increase (Decrease) in Reserve for Inventories	1,022,341
Fund Balance June 30, 1985	$ 452,519,323

STATE OF MISSISSIPPI

Schedule of Revenues by Source
General Fund
For the Year Ended June 30, 1985

Taxes:	
Sales	$ 833,543,108
Individual income	249,077,350
Corporate income and franchise	170,649,766
Use and wholesale compensating	84,113,580
Oil and gas severance	88,013,278
Tobacco, beer and wine	69,953,676
Insurance	55,950,887
Ad valorem	68,469
Other	198,276,164
Total Taxes	1,749,646,278
Licenses, Fees and Permits:	
Motor vehicle title fees	7,407,240
Other	11,040,547
Total Licenses, Fees and Permits	18,447,787
Federal Government	837,810,350
Interest Income	38,193,707
Departmental Services:	
Interdepartmental charges	4,602,393
Sale of supplies and services outside of state government	150,360,857
Total Departmental Services	154,963,250
Other	24,860,620
Total Revenues by Source	$2,823,921,992

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

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STATE OF MISSISSIPPI

Significant Special Revenue Funds Descriptions

The numerous special revenue funds used by the State have been grouped by organizational unit and combined into specific functions.

GENERAL GOVERNMENT

Tax Commission

Telecommunications Fund - accounts for the operation of a statewide information system on motor vehicles. Funding is provided by motor vehicle title fees.

Federal-State Programs

Grant Distributive, Alcohol Programs, and Revenue Sharing Fund - accounts for grant monies received from the federal government, transfers from the General Fund, penalty assessments on motor vehicle operation offenses involving intoxication, and interest distributed to other state departments in accordance with program requirements.

Emergency Management Agency

Emergency Management Fund - accounts for grant monies received from the federal government and transfers from the General Fund. Expenditures are restricted by the various grant agreements but all pertain to emergency management programs and their administration.

EDUCATION

Department of Education

School Lunch Program Fund - accounts for the federal government's share of the public school lunch and breakfast program.

Driver's Training Penalty Assessment Fund - accounts for the comprehensive driver education and training programs conducted in public schools. The funding source is a penalty assessment on all offenses involving violations of laws or ordinances relating to the operation of motor vehicles except parking or registration offenses.

Vocational Rehabilitation for the Blind - accounts for funds received to operate a statewide vending operation providing self-employment for legally blind Mississippians throughout the state.

HEALTH AND SOCIAL SERVICES

Health Care Commission

Health Care Commission Fund - accounts for monies collected for the purpose of regulating nursing homes, hospitals, and other health care facilities. Funding sources include federal grants, transfers from the General Fund, and fees for services.

Department of Rehabilitation Services

Rehabilitation Services Fund - accounts for federal and state monies used to provide vocational rehabilitation programs for the handicapped and accounts for funds received from the federal government for the specific purpose of evaluating applicants for Social Security benefits consistent with laws and regulations pertaining to disability eligibility.

Department of Mental Health

Alcohol and Drug Abuse Program Fund - accounts for a three percent tax on alcoholic beverages collected for the purpose of administering drug and alcohol abuse treatment and rehabilitation programs. Expenditures consist primarily of grants for regional alcohol treatment programs, vocational rehabilitation services, inpatient treatment programs, and alcohol rehabilitation programs for the Department of Corrections.

STATE OF MISSISSIPPI

Significant Special Revenue Funds Descriptions

Employment Security Commission

Employment Services Fund - accounts for monies received from the federal government for administering the Unemployment Compensation Act.

LAW, JUSTICE AND PUBLIC SAFETY

Department of Corrections

Community Services Fund - provides alternative diversionary programs which subject individuals to the minimum supervision and control that the inmate requires in lieu of incarceration within the penitentiary. Revenue is provided by probation release fees.

Military Department

Camp Shelby Timber Fund - accounts for funds received from sale of timber, mineral leases on lands, and store sales. Expenditures are for the maintenance of Camp Shelby.

Facility Maintenance and Operation Fund - accounts for monies received from the federal government to maintain, expand, and improve armory facilities within the State.

Camp Shelby Base Operation Fund - accounts for federal monies received for the specific purpose of training troops.

Equipment Pool Fund - accounts for costs of storing and maintaining U.S. Army and Reserve equipment stored at the Camp Shelby training base. All revenue is derived from the federal government.

Air National Guard Training Site Operation Fund - accounts for federal monies used primarily to pay the salaries of state employees working at the Gulfport Air National Guard training site.

RECREATION AND RESOURCES DEVELOPMENT

Department of Agriculture and Commerce

Rice Promotion Board - accounts for fees charged for the sale of rice. This revenue is expended to promote the rice industry through research, education, and advertising.

Soybean Promotion Fund - accounts for fees charged for the sale of soybeans. This revenue is expended to promote the soybean industry through research, education, and advertising.

Forestry Commission

Forestry Commission - the forestry development fund receives revenues from 80% of timber severance tax assessed by Section 27-25-11, Miss. Code Ann. (1972). The funds are utilized to encourage Mississippi landowners to reforest their lands through the forest tree development program under a cost share system.

Department of Wildlife Conservation and Marine Resources

Museum of Natural Science Fund - accounts for transfers from the General Fund and miscellaneous revenues used to operate the Mississippi Museum of Natural Science, including the acquisition, maintenance, and exhibition of natural science collections.

Bureau of Fisheries and Wildlife Fund - accounts for expenses of enforcing laws for the preservation and protection of the state's wildlife resources and enhancing their environments. Additional responsibilities and expenses of this bureau and fund are enforcement of boating safety on state lakes and streams and enforcement of hunter safety. The Bureau of Fisheries and Wildlife Fund also accounts for administrative costs of the Department of Wildlife Conservation.

STATE OF MISSISSIPPI

Significant Special Revenue Funds Descriptions

Bureau of Marine Resources Fund - accounts for expenses of conserving and protecting marine resources and of administering coastal zone, liaison, and statistical programs as directed by the National Office of Marine Fisheries. Funding is provided primarily by transfers from the General Fund and by federal grants.

Oil and Gas Board

Oil and Gas Board Fund - accounts for transfers from the General Fund that are used to protect public and private interests against waste in the production and use of oil and gas, to obtain full development in oil production within the state, and to maintain records of all oil and gas wells drilled and producing.

REGULATION OF BUSINESS AND PROFESSIONS

Public Service Commission

Public Service Commission Fund - accounts for the costs of regulating all for-hire transportation and communication, electric, gas, water and sewer utilities. Revenue is derived principally from motor carrier application and registration fees and utilities tax assessments.

Worker's Compensation Commission

Worker's Compensation Commission Fund - accounts for expenditures relating to administering the provisions of the Mississippi Worker's Compensation Law, which include cooperating with other state and federal authorities for the prevention of injuries and occupational diseases and, in the event of such injuries and diseases, coordinating the rehabilitation or restoration to health and vocational opportunity of the affected worker.

Department of Banking and Consumer Finance

Bank Supervision Administrative Fund - accounts for assessment fees charged to banks to fund the regulation and supervision of banks operating within the State.

Consumer Finance Fund - accounts for funds collected in the examining and licensing of motor vehicle finance organizations and small loan organizations.

Other Regulatory Agencies

Other Regulatory Agencies Fund - provides for the control and regulation of various professions by boards and commissions established for this purpose. Revenue is provided by examination and license renewal fees. Each board or commission has its own account within this fund to account for its operation.

TRANSPORTATION

Department of Energy and Transportation

Energy and Transportation Fund - accounts for state and federal monies and other revenues used to coordinate the State's energy and transportation activities, needs, and programs and to develop a statewide transportation system.

Railroad Loan Fund - accounts for loans made to railways to revitalize the railroad industry. Funding is provided by loan repayments and interest.

STATE OF MISSISSIPPI

Combining Balance Sheet
Special Revenue Funds
June 30, 1985

	General Government	Education
Assets:		
Cash and cash equivalents	$ 13,519,252	$ 1,810,740
Receivables, net:		
Interest	130,519	
Due from other governments	2,904,364	9,063,168
Other	138,914	23,288
Interfund receivables	276,685	1,048,574
Inventories		
Loans and notes receivable		
Other assets		
Total Assets	$ 16,969,734	$ 11,945,770
Liabilities:		
Accounts payable and accruals	$ 745,453	$ 9,104,371
Due to other governments	317,899	
Interfund payables	3,297,568	86,561
Deferred revenues	5,430,013	5,703
Other liabilities	174,906	
Total Liabilities	9,965,839	9,196,635
Fund Balances (Deficits):		
Reserved for:		
Encumbrances	185,427	1,014,609
Inventories		
Long-term portion of loans and notes receivable		
Other specific purposes	943,087	
Unreserved:		
Designated for other specific purposes	3,720,631	13,340
Undesignated	2,154,750	1,721,186
Total Fund Balances (Deficits)	7,003,895	2,749,135
Total Liabilities and Fund Balances	$ 16,969,734	$ 11,945,770

STATE OF MISSISSIPPI

Combining Balance Sheet
Special Revenue Funds
June 30, 1985

Health and Social Services	Law, Justice and Public Safety	Recreation and Resources Development	Regulation of Business and Professions	Transportation	Combined Special Revenue Funds Total
$ 2,801,468	$ 2,256,124	$ 15,228,059	$ 14,666,426	$ 4,200,287	$ 54,482,356
		98,230	4,800	34,964	268,513
843,918	66,564	875,835	500,000	486,315	14,740,164
38	9,448	16,560	878,306		1,066,554
2,164,476	4,060	210,550	75,948	554,282	4,334,575
	446,192		652		446,844
				941,292	941,292
218,324					218,324
$ 6,028,224	$ 2,782,388	$ 16,429,234	$ 16,126,132	$ 6,217,140	$ 76,498,622
$ 1,048,562	$ 424,246	$ 636,152	$ 314,857	$ 416,239	$ 12,689,880
885,289	26,992	42,485	15,559		1,288,224
42,447	20,746	60,627	3,923,510	668,778	8,100,237
116,538	218,757	600,913	2,175,286	391,452	8,938,662
	448		861		176,215
2,092,836	691,189	1,340,177	6,430,073	1,476,469	31,193,218
1,797,024	194,455	275,062	38,185	950,491	4,455,253
	446,192		652		446,844
				718,470	718,470
205,575			500,000		1,648,662
566,528				1,632,912	5,933,411
1,366,261	1,450,552	14,813,995	9,157,222	1,438,798	32,102,764
3,935,388	2,091,199	15,089,057	9,696,059	4,740,671	45,305,404
$ 6,028,224	$ 2,782,388	$ 16,429,234	$ 16,126,132	$ 6,217,140	$ 76,498,622

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Special Revenue Funds
For the Year Ended June 30, 1985

	General Government	Education
Revenues:		
Taxes	$	$
Licenses, fees and permits	3,524,296	1,754,722
Federal government	141,516,973	84,827,937
Interest income	579,936	38,914
Departmental services	19,884	185,116
Other	1,263,735	253,308
Total Revenues	146,904,824	87,059,997
Expenditures:		
General government	149,509,896	
Education		85,816,768
Health and social services		
Law, justice and public safety		
Recreation and resources development		
Regulation of business and professions		
Transportation		
Total Expenditures	149,509,896	85,816,768
Excess of Revenues over (under) Expenditures	(2,605,072)	1,243,229
Other Financing Sources (Uses):		
Operating transfers from General Fund	4,094,599	
Other operating transfers in (out)	(3,613,688)	5,213
Other financing sources (uses)	689,013	
Net Other Financing Sources (Uses)	1,169,924	5,213
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(1,435,148)	1,248,442
Fund Balances July 1, 1984, as Previously Reported	8,492,034	1,630,985
Restatement of Fund Balances	(52,991)	(130,292)
Fund Balances (Deficit) July 1, 1984, as Restated	8,439,043	1,500,693
Increase (Decrease) in Reserve for Inventories		
Fund Balances June 30, 1985	$ 7,003,895	$ 2,749,135

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Special Revenue Funds
For the Year Ended June 30, 1985

Health and Social Services	Law, Justice and Public Safety	Recreation and Resources Development	Regulation of Business and Professions	Transportation	Combined Special Revenue Funds Total
$ 2,652,088	$	$ 2,887,197	$	$ 172,456	$ 5,711,741
292,100	751,879	9,471,180	13,070,896		28,865,073
67,624,038	8,705,576	3,320,232	90,068	5,425,455	311,510,279
	70,995	891,390	206,540	265,948	2,053,723
462,326	343,896	423,445	37,023		1,471,690
851,739	141,894	687,005	7,400	304,737	3,509,818
71,882,291	10,014,240	17,680,449	13,411,927	6,168,596	353,122,324
					149,509,896
					85,816,768
71,065,015					71,065,015
	10,412,357				10,412,357
		17,668,378			17,668,378
			10,486,327		10,486,327
				6,827,235	6,827,235
71,065,015	10,412,357	17,668,378	10,486,327	6,827,235	351,785,976
817,276	(398,117)	12,071	2,925,600	(658,639)	1,336,348
3,211,893		2,016,254		997,043	10,319,789
(2,793,006)	60,595	(95,760)	(3,668,880)		(10,105,526)
					689,013
418,887	60,595	1,920,494	(3,668,880)	997,043	903,276
1,236,163	(337,522)	1,932,565	(743,280)	338,404	2,239,624
3,838,642	2,464,313	3,433,058	10,436,554	3,718,932	34,014,518
(1,139,417)	(35,241)	9,723,434	3,257	683,335	9,052,085
2,699,225	2,429,072	13,156,492	10,439,811	4,402,267	43,066,603
	(351)		(472)		(823)
$ 3,935,388	$ 2,091,199	$ 15,089,057	$ 9,696,059	$ 4,740,671	$ 45,305,404

STATE OF MISSISSIPPI

Combining Balance Sheet
Special Revenue Funds
General Government
June 30, 1985

	Tax Commission						
	Telecommunication	Mineral Documentary Stamp	Federal-State Programs	Emergency Management	Bureau of Buildings	Other	Function Total
Assets:							
Cash and cash equivalents	$ 561,805	$ 2,574	$11,864,426	$ 823,058	$ 2,842	$264,547	$13,519,252
Receivables, net:							
Interest			128,431			2,088	130,519
Due from other governments	209,267		2,695,097				2,904,364
Other			179	53,873	83,842	1,020	138,914
Interfund receivables			276,685				276,685
Total Assets	$ 771,072	$ 2,574	$14,964,818	$ 876,931	$ 86,684	$267,655	$16,969,734
Liabilities:							
Accounts payable and accruals	$ 146,178	$ 140	$ 470,579	$ 59,871	$	$ 68,685	$ 745,453
Due to other governments				317,899			317,899
Interfund payables			2,900,862	312,864	83,842		3,297,568
Deferred revenues			5,367,576	62,437			5,430,013
Other liabilities			174,906				174,906
Total Liabilities	146,178	140	8,913,923	753,071	83,842	68,685	9,965,839
Fund Balances:							
Reserved for:							
Encumbrances		280	185,147				185,427
Other specific purposes			943,087				943,087
Unreserved:							
Designated for other specific purposes			3,720,631				3,720,631
Undesignated	624,894	2,154	1,202,030	123,860	2,842	198,970	2,154,750
Total Fund Balances	624,894	2,434	6,050,895	123,860	2,842	198,970	7,003,895
Total Liabilities and Fund Balances	$ 771,072	$ 2,574	$14,964,818	$ 876,931	$ 86,684	$267,655	$16,969,734

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures, and Other Financing Sources and Uses, and Changes in Fund Balances
Special Revenue Funds
General Government
For the Year Ended June 30, 1985

	Tax Commission						
	Telecommunication	Mineral Documentary Stamp	Federal-State Programs	Emergency Management	Bureau of Buildings	Other	Function Total
Revenues:							
Licenses, fees and permits	$ 3,067,898	$ 435	$	$	$	$455,963	$ 3,524,296
Federal government			140,293,334	1,223,639			141,516,973
Interest income			568,497			11,439	579,936
Departmental services						19,884	19,884
Other			256,647	381,979	613,028	12,081	1,263,735
Total Revenues	3,067,898	435	141,118,478	1,605,618	613,028	499,367	146,904,824
Expenditures:							
General government	3,309,247	473	143,255,766	2,558,711		385,699	149,509,896
Excess of Revenues over (under) Expenditures	(241,349)	(38)	(2,137,288)	(953,093)	613,028	113,668	(2,605,072)
Other Financing Sources (Uses):							
Operating transfers from General Fund			3,169,020	925,579			4,094,599
Other operating transfers in (out)			(3,002,079)	16,816	(613,028)	(15,397)	(3,613,688)
Other financing sources (uses)	689,013						689,013
Net Other Financing Sources (Uses)	689,013		166,941	942,395	(613,028)	(15,397)	1,169,924
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	447,664	(38)	(1,970,347)	(10,698)	-0-	98,271	(1,435,148)
Fund Balances July 1, 1984, as Previously Reported	177,230	-0-	8,021,242	190,021	2,842	100,699	8,492,034
Restatement of Fund Balances		2,472		(55,463)			(52,991)
Fund Balances July 1, 1984, as Restated	177,230	2,472	8,021,242	134,558	2,842	100,699	8,439,043
Fund Balances June 30, 1985	$ 624,894	$ 2,434	$ 6,050,895	$ 123,860	$ 2,842	$198,970	$ 7,003,895

STATE OF MISSISSIPPI

Combining Balance Sheet
Special Revenue Funds
Education
June 30, 1985

	Department of Education					
	School Lunch Program	Driver's Training Penalty Assessment	Other	Vocational Rehabilitation for the Blind	Other	Function Total
Assets:						
Cash and cash equivalents	$ 42,059	$1,360,634	$27,033	$ 42,425	$338,589	$ 1,810,740
Receivables, net:						
Due from other governments	9,049,569				13,599	9,063,168
Other			4,283		19,005	23,288
Interfund receivables		1,000,000	40	48,534		1,048,574
Total Assets	$9,091,628	$2,360,634	$31,356	$ 90,959	$371,193	$11,945,770
Liabilities:						
Accounts payable and accruals	$9,091,628	$ 789	$ 7,518	$ 1,303	$ 3,133	$ 9,104,371
Interfund payables		21,117	682	9,336	55,426	86,561
Deferred revenues			5,703			5,703
Total Liabilities	9,091,628	21,906	13,903	10,639	58,559	9,196,635
Fund Balances (Deficits):						
Reserved for:						
Encumbrances		1,014,609				1,014,609
Unreserved:						
Designated for other specific purposes					13,340	13,340
Undesignated		1,324,119	17,453	80,320	299,294	1,721,186
Total Fund Balances (Deficits)		2,338,728	17,453	80,320	312,634	2,749,135
Total Liabilities and Fund Balances	$9,091,628	$2,360,634	$31,356	$ 90,959	$371,193	$11,945,770

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Special Revenue Funds
Education
For the Year Ended June 30, 1985

	Department of Education					
	School Lunch Program	Driver's Training Penalty Assessment	Other	Vocational Rehabilitation for the Blind	Other	Function Total
Revenues:						
Licenses, fees and permits	$	$1,754,722	$	$	$	$ 1,754,722
Federal government	84,600,571		171,940		55,426	84,827,937
Interest income				7,576	31,338	38,914
Departmental services				140,419	44,697	185,116
Other	179,344	459	7,914		65,591	253,308
Total Revenues	84,779,915	1,755,181	179,854	147,995	197,052	87,059,997
Expenditures:						
Education	84,779,915	495,492	174,554	141,527	225,280	85,816,768
Excess of Revenues over (under) Expenditures	-0-	1,259,689	5,300	6,468	(28,228)	1,243,229
Other Financing Sources (Uses):						
Other operating transfers in (out)					5,213	5,213
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-0-	1,259,689	5,300	6,468	(23,015)	1,248,442
Fund Balances July 1, 1984, as Previously Reported	57,128	1,079,039	21,768	73,852	399,198	1,630,985
Restatement of Fund Balances	(57,128)		(9,615)		(63,549)	(130,292)
Fund Balances (Deficits) July 1, 1984, as Restated	-0-	1,079,039	12,153	73,852	335,649	1,500,693
Fund Balances (Deficits) June 30, 1985	$ -0-	$2,338,728	$ 17,453	$ 80,320	$312,634	$ 2,749,135

STATE OF MISSISSIPPI

Combining Balance Sheet
Special Revenue Funds
Health and Social Services
June 30, 1985

	Health Care Commission	Department of Rehabilitation Services Rehabilitation Services
Assets:		
Cash and cash equivalents	$ 146,861	$ 589,154
Receivables, net:		
Due from other governments	50,907	793,011
Other	8	
Interfund receivables	117,742	222,592
Other assets		
Total Assets	$ 315,518	$ 1,604,757
Liabilities:		
Accounts payable and accruals	$ 5,636	$ 717,386
Due to other governments		
Interfund payables	311	
Deferred revenues		116,538
Total Liabilities	5,947	833,924
Fund Balances:		
Reserved for:		
Encumbrances		803,531
Other specific purposes		
Unreserved:		
Designated for other specific purposes		
Undesignated	309,571	(32,698)
Total Fund Balances	309,571	770,833
Total Liabilities and Fund Balances	$ 315,518	$ 1,604,757

STATE OF MISSISSIPPI

Combining Balance Sheet
Special Revenue Funds
Health and Social Services
June 30, 1985

Department of Mental Health		Department of Public Welfare		Employment Security Commission		
Alcohol and Drug Abuse Program	Social Services	Disaster Relief	Other	Employment Services	Other	Function Total
$ 256,132	$ 51,926	$ 4,034	$ 35,794	$1,699,070	$ 18,497	$2,801,468
	30					843,918 38
167,029				1,657,113		2,164,476
				218,324		218,324
$ 423,161	$ 51,956	$ 4,034	$ 35,794	$3,574,507	$ 18,497	$6,028,224
$ 113,677	$ 225	$ 4,034	$ 35,794	$ 171,810	$	$1,048,562
267,348				617,941		885,289
42,136						42,447
						116,538
423,161	225	4,034	35,794	789,751		2,092,836
				993,493		1,797,024
				205,575		205,575
	51,731			514,797		566,528
				1,070,891	18,497	1,366,261
	51,731			2,784,756	18,497	3,935,388
$ 423,161	$ 51,956	$ 4,034	$ 35,794	$3,574,507	$ 18,497	$6,028,224

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Special Revenue Funds
Health and Social Services
For the Year Ended June 30, 1985

	Health Care Commission	Department of Rehabilitation Services Rehabilitation Services
Revenues:		
Taxes	$	$
Licenses, fees and permits	292,100	
Federal government	954,283	24,491,852
Departmental services		
Other		825,366
Total Revenues	1,246,383	25,317,218
Expenditures:		
Health and social services	1,990,422	24,441,583
Excess of Revenues over (under) Expenditures	(744,039)	875,635
Other Financing Sources (Uses):		
Operating transfers from General Fund	239,937	2,971,956
Other operating transfers in (out)	656,781	(3,662,575)
Net Other Financing Sources (Uses)	896,718	(690,619)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	152,679	185,016
Fund Balances (Deficit) July 1, 1984, as Previously Reported	156,892	585,817
Restatement of Fund Balances		
Fund Balances July 1, 1984, as Restated	156,892	585,817
Fund Balances June 30, 1985	$ 309,571	$ 770,833

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Special Revenue Funds
Health and Social Services
For the Year Ended June 30, 1985

Department of Mental Health		Department of Public Welfare		Employment Security Commission		
Alcohol and Drug Abuse Program	Social Services	Disaster Relief	Other	Employment Services	Other	Function Total
$ 2,652,088	$	$	$	$	$	$ 2,652,088
		161,945		42,015,958		292,100 67,624,038
	360,516				101,810	462,326
	24,875	125	281		1,092	851,739
2,652,088	385,391	162,070	281	42,015,958	102,902	71,882,291
2,652,088	1,300,553	591,294		39,977,533	111,542	71,065,015
-0-	(915,162)	(429,224)	281	2,038,425	(8,640)	817,276
						3,211,893
			(35,794)	248,582		(2,793,006)
			(35,794)	248,582		418,887
-0-	(915,162)	(429,224)	(35,513)	2,287,007	(8,640)	1,236,163
(251,350)	2,359,448	427,436	35,513	497,749	27,137	3,838,642
251,350	(1,392,555)	1,788				(1,139,417)
-0-	966,893	429,224	35,513	497,749	27,137	2,699,225
$ -0-	$ 51,731	$ -0-	$ -0-	$ 2,784,756	$ 18,497	$ 3,935,388

STATE OF MISSISSIPPI

Combining Balance Sheet
Special Revenue Funds
Law, Justice and Public Safety
June 30, 1985

	Attorney General		Department of Corrections		
	Medicaid Fraud Unit	Other	Community Services	Vocational Training	Discharged Offenders
Assets:					
Cash and cash equivalents	$ 11,664	$ 4,346	$ 462,759	$ 17,831	$ 32,484
Receivables, net:					
Due from other governments					
Other					265
Interfund receivables					4,060
Inventories					
Total Assets	$ 11,664	$ 4,346	$ 462,759	$ 17,831	$ 36,809
Liabilities:					
Accounts payable and accruals	$ 383	$ 4,346	$ 11,189	$ 7,596	$ 4,371
Due to other governments					
Interfund payables	575				4,295
Deferred revenues	8,528				
Other liabilities					
Total Liabilities	9,486	4,346	11,189	7,596	8,666
Fund Balances:					
Reserved for:					
Encumbrances			52,074	3,782	1,359
Inventories					
Unreserved:					
Undesignated	2,178		399,496	6,453	26,784
Total Fund Balances	2,178		451,570	10,235	28,143
Total Liabilities and Fund Balances	$ 11,664	$ 4,346	$ 462,759	$ 17,831	$ 36,809

STATE OF MISSISSIPPI

Combining Balance Sheet
Special Revenue Funds
Law, Justice and Public Safety
June 30, 1985

Military Department							
Camp Shelby Timber	Facility Maintenance and Operation	Camp Shelby Base Operation	Equipment Pool	National Guard Recreation	Air National Guard Training Site Operation	Other	Function Total
$ 775,923	$ 219,269	$ 552,712	$ 37,457	$ 60,169	$ 26,823	$ 54,687	$2,256,124
		64,944	1,620				66,564
		9,183					9,448
							4,060
		445,875				317	446,192
$ 775,923	$ 219,269	$1,072,714	$ 39,077	$ 60,169	$ 26,823	$ 55,004	$2,782,388
$ 24,862	$ 97,612	$ 242,709	$ 30,948	$ 23,936	$ 521	$ 635	$ 424,246
						2,130	26,992
	105,786	78,141				15,876	20,746
					26,302		218,757
		355	93				448
24,862	203,398	321,205	31,041	23,936	26,823	18,641	691,189
717	3,493	133,030					194,455
		445,875				317	446,192
750,344	12,378	172,604	8,036	36,233		36,046	1,450,552
751,061	15,871	751,509	8,036	36,233		36,363	2,091,199
$ 775,923	$ 219,269	$1,072,714	$ 39,077	$ 60,169	$ 26,823	$ 55,004	$2,782,388

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Special Revenue Funds
Law, Justice and Public Safety
For the Year Ended June 30, 1985

	Attorney General		Department of Corrections		
	Medicaid Fraud Unit	Other	Community Services	Vocational Training	Discharged Offenders
Revenues:					
Licenses, fees and permits	$	$	$ 660,049	$	$ 77,813
Federal government	256,211				
Interest income					440
Departmental services			356		
Other	3,120			96,730	1,182
Total Revenues	259,331		660,405	96,730	79,435
Expenditures:					
Law, justice and public safety	257,153	59,866	379,201	87,993	199,894
Excess of Revenues over (under) Expenditures	2,178	(59,866)	281,204	8,737	(120,459)
Other Financing Sources (Uses):					
Other operating transfers in (out)		54,057	(536,392)		99,264
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	2,178	(5,809)	(255,188)	8,737	(21,195)
Fund Balances July 1, 1984, as Previously Reported	35,239	5,809	706,758	1,498	49,338
Restatement of Fund Balances	(35,239)				
Fund Balances July 1, 1984, as Restated	-0-	5,809	706,758	1,498	49,338
Increase (Decrease) in Reserve for Inventories					
Fund Balances June 30, 1985	$ 2,178	$ -0-	$ 451,570	$ 10,235	$ 28,143

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Special Revenue Funds
Law, Justice and Public Safety
For the Year Ended June 30, 1985

Military Department							
Camp Shelby Timber	Facility Maintenance and Operation	Camp Shelby Base Operation	Equipment Pool	National Guard Recreation	Air National Guard Training Site Operation	Other	Function Total
$	$	$ 4,946	$	$	$	$ 9,071	$ 751,879
	1,914,659	5,050,095	786,082		698,529		8,705,576
69,238						1,317	70,995
267,495		57,548		4,837		13,660	343,896
	828	1,693	48	37,038		1,255	141,894
336,733	1,915,487	5,114,282	786,130	41,875	698,529	25,303	10,014,240
264,592	2,382,821	5,105,361	786,082	131,864	698,529	59,001	10,412,357
72,141	(467,334)	8,921	48	(89,989)	-0-	(33,698)	(398,117)
	450,424	(6,181)				(577)	60,595
72,141	(16,910)	2,740	48	(89,989)	-0-	(34,275)	(337,522)
678,920	32,781	748,769	7,988	126,222	-0-	70,991	2,464,313
						(2)	(35,241)
678,920	32,781	748,769	7,988	126,222	-0-	70,989	2,429,072
						(351)	(351)
$ 751,061	$ 15,871	$ 751,509	$ 8,036	$ 36,233	$ -0-	$ 36,363	$ 2,091,199

STATE OF MISSISSIPPI

Combining Balance Sheet
Special Revenue Funds
Recreation and Resources Development
June 30, 1985

	Department of Agriculture and Commerce		
	Rice Promotion	Soybean Promotion	Other
Assets:			
Cash and cash equivalents	$ 14,245	$ 44,170	$ 46,774
Receivables, net:			
Interest			
Due from other governments			
Other			
Interfund receivables	8,273	14,892	
Total Assets	$ 22,518	$ 59,062	$ 46,774
Liabilities:			
Accounts payable and accruals	$ 13,974	$ 40,153	$ 8,984
Due to other governments			
Interfund payables			2
Deferred revenues			
Total Liabilities	13,974	40,153	8,986
Fund Balances:			
Reserved for:			
Encumbrances			
Unreserved:			
Undesignated	8,544	18,909	37,788
Total Fund Balances	8,544	18,909	37,788
Total Liabilities and Fund Balances	$ 22,518	$ 59,062	$ 46,774

STATE OF MISSISSIPPI

Combining Balance Sheet
Special Revenue Funds
Recreation and Resources Development
June 30, 1985

	Department of Wildlife Conservation & Marine Resources					
Forestry Commission	Museum of Natural Science	Bureau of Fisheries and Wildlife	Bureau of Marine Resources	Oil and Gas Board	Other	Function Total
$ 1,490,496	$ 65,751	$12,238,560	$ 318,140	$ 871,529	$ 138,394	$15,228,059
		98,230				98,230
		831,573	44,262			875,835
	350	11,240		4,970		16,560
182,385					5,000	210,550
$ 1,672,881	$ 66,101	$13,179,603	$ 362,402	$ 876,499	$ 143,394	$16,429,234
$	$ 19,994	$ 477,933	$ 48,809	$ 24,665	$ 1,640	$ 636,152
			42,485			42,485
					60,625	60,627
	32,132	549,415	19,366			600,913
	52,126	1,027,348	110,660	24,665	62,265	1,340,177
	4,315	177,442	93,305			275,062
1,672,881	9,660	11,974,813	158,437	851,834	81,129	14,813,995
1,672,881	13,975	12,152,255	251,742	851,834	81,129	15,089,057
$ 1,672,881	$ 66,101	$13,179,603	$ 362,402	$ 876,499	$ 143,394	$16,429,234

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Special Revenue Funds
Recreation and Resources Development
For the Year Ended June 30, 1985

	Department of Agriculture and Commerce		
	Rice Promotion	Soybean Promotion	Other
Revenues:			
Taxes	$	$	$
Licenses, fees and permits	358,971	572,521	121,845
Federal government			
Interest income			
Departmental services			
Other		40	
Total Revenues	358,971	572,561	121,845
Expenditures:			
Recreation and resources development	368,153	581,313	140,196
Excess of Revenues over (under) Expenditures	(9,182)	(8,752)	(18,351)
Other Financing Sources (Uses):			
Operating transfers from General Fund			
Other operating transfers in (out)			
Net Other Financing Sources (Uses)			
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(9,182)	(8,752)	(18,351)
Fund Balances July 1, 1984, as Previously Reported	17,726	27,661	56,139
Restatement of Fund Balances			
Fund Balances July 1, 1984, as Restated	17,726	27,661	56,139
Fund Balances June 30, 1985	$ 8,544	$ 18,909	$ 37,788

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Special Revenue Funds
Recreation and Resources Development
For the Year Ended June 30, 1985

	Department of Wildlife Conservation & Marine Resources					
Forestry Commission	Museum of Natural Science	Bureau of Fisheries and Wildlife	Bureau of Marine Resources	Oil and Gas Board	Other	Function Total
$ 2,273,016	$	$ 600,000	$ 14,181	$	$	$ 2,887,197
		6,841,103		1,446,296	130,444	9,471,180
	13,719	2,485,168	821,345			3,320,232
		882,036	5,252		4,102	891,390
		422,236			1,209	423,445
2,622	365	679,149	4,813		16	687,005
2,275,638	14,084	11,909,692	845,591	1,446,296	135,771	17,680,449
2,075,129	437,106	10,788,767	2,133,894	1,110,705	33,115	17,668,378
200,509	(423,022)	1,120,925	(1,288,303)	335,591	102,656	12,071
	427,612	460,330	1,128,312			2,016,254
					(95,760)	(95,760)
	427,612	460,330	1,128,312		(95,760)	1,920,494
200,509	4,590	1,581,255	(159,991)	335,591	6,896	1,932,565
1,472,372	-0-	999,997	268,687	516,243	74,233	3,433,058
	9,385	9,571,003	143,046			9,723,434
1,472,372	9,385	10,571,000	411,733	516,243	74,233	13,156,492
$ 1,672,881	$ 13,975	$12,152,255	$ 251,742	$ 851,834	$ 81,129	$15,089,057

STATE OF MISSISSIPPI

Combining Balance Sheet
Special Revenue Funds
Regulation of Business and Professions
June 30, 1985

	Public Service Commission	Worker's Compensation Commission	Department of Banking and Consumer Finance: Bank Supervision Administrative	Department of Banking and Consumer Finance: Consumer Finance	Other Regulatory Agencies	Function Total
Assets:						
Cash and cash equivalents	$6,326,689	$ 2,607,111	$ 1,552,461	$351,366	$3,828,799	$14,666,426
Receivables, net:						
Interest		4,800				4,800
Due from other governments	500,000					500,000
Other	13,137	856,931	425		7,813	878,306
Interfund receivables	75,948					75,948
Inventories					652	652
Total Assets	$6,915,774	$ 3,468,842	$ 1,552,886	$351,366	$3,837,264	$16,126,132
Liabilities:						
Accounts payable and accruals	$ 96,371	$ 34,700	$ 33,469	$ 3,863	$ 146,454	$ 314,857
Due to other governments					15,559	15,559
Interfund payables	3,600,578	1,419			321,513	3,923,510
Deferred revenues	2,108,936				66,350	2,175,286
Other liabilities					861	861
Total Liabilities	5,805,885	36,119	33,469	3,863	550,737	6,430,073
Fund Balances:						
Reserved for:						
Encumbrances	3,466	26,913			7,806	38,185
Inventories					652	652
Other specific purposes	500,000					500,000
Unreserved:						
Undesignated	606,423	3,405,810	1,519,417	347,503	3,278,069	9,157,222
Total Fund Balances	1,109,889	3,432,723	1,519,417	347,503	3,286,527	9,696,059
Total Liabilities and Fund Balances	$6,915,774	$ 3,468,842	$ 1,552,886	$351,366	$3,837,264	$16,126,132

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Special Revenue Funds
Regulation of Business and Professions
For the Year Ended June 30, 1985

	Public Service Commission	Worker's Compensation Commission	Department of Banking and Consumer Finance: Bank Supervision Administrative	Department of Banking and Consumer Finance: Consumer Finance	Other Regulatory Agencies	Function Total
Revenues:						
Licenses, fees and permits	$6,318,347	$ 2,197,914	$ 1,064,906	$265,255	$3,224,474	$13,070,896
Federal government	90,068					90,068
Interest income		189,666			16,874	206,540
Departmental services	817	868			35,338	37,023
Other	1,048	929	438		4,985	7,400
Total Revenues	6,410,280	2,389,377	1,065,344	265,255	3,281,671	13,411,927
Expenditures:						
Regulation of business and professions	3,801,205	2,104,483	1,195,824	239,753	3,145,062	10,486,327
Excess of Revenues over (under) Expenditures	2,609,075	284,894	(130,480)	25,502	136,609	2,925,600
Other Financing Sources (Uses):						
Other operating transfers in (out)	(3,600,000)				(68,880)	(3,668,880)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(990,925)	284,894	(130,480)	25,502	67,729	(743,280)
Fund Balances July 1, 1984, as Previously Reported	2,100,814	3,144,572	1,649,897	322,001	3,219,270	10,436,554
Restatement of Fund Balances		3,257				3,257
Fund Balances July 1, 1984, as Restated	2,100,814	3,147,829	1,649,897	322,001	3,219,270	10,439,811
Increase (Decrease) in Reserve for Inventories					(472)	(472)
Fund Balances June 30, 1985	$1,109,889	$ 3,432,723	$ 1,519,417	$347,503	$3,286,527	$ 9,696,059

STATE OF MISSISSIPPI

Combining Balance Sheet
Special Revenue Funds
Transportation
June 30, 1985

	Aeronautics Commission	Department of Energy and Transportation: Energy and Transportation	Department of Energy and Transportation: Railroad Loan	Function Total
Assets:				
Cash and cash equivalents	$ 85,671	$ 2,676,760	$1,437,856	$4,200,287
Receivables, net:				
Interest		23,502	11,462	34,964
Due from other governments	15,840	282,024	188,451	486,315
Interfund receivables		554,282		554,282
Loans and notes receivable			941,292	941,292
Total Assets	$ 101,511	$ 3,536,568	$2,579,061	$6,217,140
Liabilities:				
Accounts payable and accruals	$ 6,429	$ 401,185	$ 8,625	$ 416,239
Interfund payables	256	668,522		668,778
Deferred revenues		172,398	219,054	391,452
Total Liabilities	6,685	1,242,105	227,679	1,476,469
Fund Balances:				
Reserved for:				
Encumbrances	468	950,023		950,491
Long-term portion of:				
Loans and notes receivable			718,470	718,470
Unreserved:				
Designated for other specific purposes			1,632,912	1,632,912
Undesignated	94,358	1,344,440		1,438,798
Total Fund Balances	94,826	2,294,463	2,351,382	4,740,671
Total Liabilities and Fund Balances	$ 101,511	$ 3,536,568	$2,579,061	$6,217,140

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Special Revenue Funds
Transportation
For the Year Ended June 30, 1985

		Department of Energy and Transportation		
	Aeronautics Commission	Energy and Transportation	Railroad Loan	Function Total
Revenues:				
Taxes	$ 172,456	$	$	$ 172,456
Federal government	23,076	5,402,379		5,425,455
Interest income		171,936	94,012	265,948
Other	195	304,542		304,737
Total Revenues	195,727	5,878,857	94,012	6,168,596
Expenditures:				
Transportation	133,575	6,691,550	2,110	6,827,235
Excess of Revenues over (under) Expenditures	62,152	(812,693)	91,902	(658,639)
Other Financing Sources (Uses):				
Operating transfers from General Fund	19,000	978,043		997,043
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	81,152	165,350	91,902	338,404
Fund Balances July 1, 1984, as Previously Reported	13,674	2,129,113	1,576,145	3,718,932
Restatement of Fund Balances			683,335	683,335
Fund Balances July 1, 1984, as Restated	13,674	2,129,113	2,259,480	4,402,267
Fund Balances June 30, 1985	$ 94,826	$ 2,294,463	$2,351,382	$4,740,671

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DEBT SERVICE FUNDS

Debt service funds are maintained to account for accumulation of resources for, and the payment of, principal and interest on general long-term obligations.

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STATE OF MISSISSIPPI

Debt Service Funds Descriptions

Highway Bond Series A and Highway Refunding Bond Retirement and Interest Fund - accounts for payment of principal and interest on bonds issued for highway construction and maintenance. Revenue is provided by transfers from the General Fund of an allocation of gasoline taxes.

Port Development (Litton) Bond Retirement and Interest Fund - accounts for payment of principal and interest on bonds issued for construction, expansion, and facilities improvement at the Port Authority at Jackson County. Revenue consists of lease payments received from the Ingalls Shipbuilding Division of Litton Industries, Inc. These payments are unconditionally guaranteed by Litton Industries, Inc.

Public School Building Bond Retirement and Interest Fund - accounts for payment of principal and interest on bonds issued for construction of public school buildings. Funding consists of transfers from the General Fund.

Seed Testing Laboratory Bond Retirement and Interest Fund - accounts for payment of principal and interest on bonds issued for construction of the seed testing laboratory at the Division of Plant Industry. Funding is provided by fees charged for testing seeds and by transfers from the General Fund.

Tennessee-Tombigbee River Bridge Bond Retirement and Interest Fund - accounts for payment of principal and interest on bonds issued for construction of the Tennessee-Tombigbee Waterway Bridge. Funding sources include the Tennessee Valley Authority, ad valorem taxes, and investment income.

State Aid Road Bond Retirement and Interest Fund - accounts for payment of principal and interest on bonds issued to construct state and county roads. Funding consists of transfers from the General Fund.

STATE OF MISSISSIPPI

Combining Balance Sheet
Debt Service Funds
June 30, 1985

	Highway Bond Series A and Highway Refunding Bond Retirement and Interest	Port Development (Litton) Bond Retirement and Interest	Public School Building Bond Retirement and Interest	Seed Testing Laboratory Bond Retirement and Interest	Tennessee-Tombigbee River Bridge Bond Retirement and Interest	State Aid Road Bond Retirement and Interest	Total
Assets:							
Cash and cash equivalents	$ 13,251,601	$ 10,712	$ 2,223,056	$ 25,257	$ 41,843,047	$ 1,718,219	$ 59,071,892
Investments	159,689,795						159,689,795
Interest receivables	1,693,873				447,494		2,141,367
Total Assets	$174,635,269	$ 10,712	$ 2,223,056	$ 25,257	$ 42,290,541	$ 1,718,219	$220,903,054
Fund Balances:							
Unreserved, designated for debt service	$174,635,269	$ 10,712	$ 2,223,056	$ 25,257	$ 42,290,541	$ 1,718,219	$220,903,054

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Debt Service Funds
For the Year Ended June 30, 1985

	Highway Bond Series A and Highway Refunding Bond Retirement and Interest	Port Development (Litton) Bond Retirement and Interest	Public School Building Bond Retirement and Interest	Seed Testing Laboratory Bond Retirement and Interest	Tennessee-Tombigbee River Bridge Bond Retirement and Interest	State Aid Road Bond Retirement and Interest	Total
Revenues:							
Fees	$	$	$	$ 30,000	$	$	$ 30,000
Interest income	12,143,187				3,594,489		15,737,676
Rental income		8,905,317					8,905,317
TVA payments in lieu of taxes					12,074,406		12,074,406
Other					399,292		399,292
Total Revenues	12,143,187	8,905,317		30,000	16,068,187		37,146,691
Expenditures:							
Debt service:							
Bond principal retirement	550,000	4,600,000	5,700,000	20,000	990,000	3,450,000	15,310,000
Interest and other fiscal charges	27,085,009	4,305,252	3,598,264	3,440	2,561,439	3,149,164	40,702,568
Other	465,408						465,408
Total Expenditures	28,100,417	8,905,252	9,298,264	23,440	3,551,439	6,599,164	56,477,976
Excess of Revenues over (under) Expenditures	(15,957,230)	65	(9,298,264)	6,560	12,516,748	(6,599,164)	(19,331,285)
Other Financing Sources (Uses):							
Operating transfers from General Fund	42,390,298		9,009,471			6,521,429	57,921,198
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	26,433,068	65	(288,793)	6,560	12,516,748	(77,735)	38,589,913
Fund Balances July 1, 1984	148,202,201	10,647	2,511,849	18,697	29,773,793	1,795,954	182,313,141
Fund Balances June 30, 1985	$174,635,269	$ 10,712	$ 2,223,056	$ 25,257	$ 42,290,541	$ 1,718,219	$220,903,054

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CAPITAL PROJECTS FUNDS

Capital projects funds are maintained to account for the acquisition or construction of major governmental general fixed assets.

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STATE OF MISSISSIPPI

Capital Projects Funds Descriptions

Military Department

Mississippi National Guard Armory Construction Fund - accounts for state funding for construction of new armories.

Bureau of Building, Grounds and Real Property Management

Construction and Improvement Fund - accounts for local, state, and federal funding for the construction, renovation, and repair of buildings and the purchase of equipment to be used by various state agencies and educational institutions.

Parks Construction Fund - accounts for bond proceeds received for the construction of facilities at the various state parks for the Department of Natural Resources.

STATE OF MISSISSIPPI

Combining Balance Sheet
Capital Projects Funds
June 30, 1985

	Military Department	Bureau of Building, Grounds and Real Property Management		
	National Guard Armory	Construction and Improvement	Parks	Total
Assets:				
Cash and cash equivalents	$ 8,536	$ 13,685,029	$ 3,338,072	$17,031,637
Interfund receivables		3,618,613		3,618,613
Total Assets	$ 8,536	$ 17,303,642	$ 3,338,072	$20,650,250
Liabilities:				
Accounts payable	$ 8,536	$	$	$ 8,536
Fund Balances:				
Unreserved, designated for future capital projects		17,303,642	3,338,072	20,641,714
Total Liabilities and Fund Balances	$ 8,536	$ 17,303,642	$ 3,338,072	$20,650,250

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances
Capital Projects Funds
For the Year Ended June 30, 1985

	Military Department	Bureau of Building, Grounds and Real Property Management		
	National Guard Armory	Construction and Improvement	Parks	Total
Expenditures:				
Capital outlay	$ 983,952	$ 23,020,494	$ 32,634	$24,037,080
Excess (Deficiency) of Revenues over Expenditures	(983,952)	(23,020,494)	(32,634)	(24,037,080)
Other Financing Sources (Uses):				
Operating transfers from:				
General Fund	983,952	18,654,632		19,638,584
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-0-	(4,365,862)	(32,634)	(4,398,496)
Fund Balances July 1, 1984, as Previously Reported	-0-	21,735,538	3,370,706	25,106,244
Restatement of Fund Balances		(66,034)		(66,034)
Fund Balances July 1, 1984, as Restated	-0-	21,669,504	3,370,706	25,040,210
Fund Balances June 30, 1985	$ -0-	$ 17,303,642	$ 3,338,072	$20,641,714

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ENTERPRISE FUNDS

Enterprise funds are maintained to account for the operations of the State that provide goods or services to the general public on a user charge basis.

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STATE OF MISSISSIPPI

Enterprise Funds Descriptions

Department of Agriculture and Commerce

Division of Lime Fund - accounts for all revenues and expenses from the operation of three lime plants. Operating expenses include royalties paid to owners of the land from which the lime is extracted. Revenue is derived from the sale of lime to the public.

Authority for Control of Fire Ants Fund - accounts for activities of the Authority for Control of Fire Ants which was established to manufacture and sell fire ant bait to the public. In 1978, the Environmental Protection Agency banned the manufacture and sale of the bait "mirex", and all manufacturing ceased. The plant, located at Prairie, Mississippi, remains in operation experimenting with new baits.

Farmers' Central Market Board Fund - accounts for the construction, maintenance, and operation of facilities for processing, storing, and marketing agricultural products. Funding is derived from rentals, service fees, and loans.

Department of Public Safety

Commissary Fund - accounts for the operations of a commissary maintained at the Mississippi Law Enforcement Training Academy.

Department of Economic Development

Certified Development Company, Inc. - provides loans to nonagricultural small businesses.

Fair Commission

Fair Commission and Coliseum Fund - accounts for expenses of the Fair Commission's operation of the coliseum, Dixie National Livestock Show, and Industrial Showcase Building, including payment of maturing bond interest and principal. Funding sources include gross receipts from the state fair, livestock show, Industrial Building, and other events conducted at the coliseum and fairgrounds, as well as operating transfers from the General Fund and proceeds from bond issues.

Department of Natural Resources

Water Pollution Abatement Revolving Loan Fund - provides loans to municipalities for water pollution control projects. Revenue is derived from interest earned on loans.

Department of Corrections

Prison Industries Fund - accounts for a janitorial supplies production operation, a garden operation, a book bindery, and a timber cutting operation. Revenue sources include proceeds from the sale of janitorial supplies, garden produce and firewood, fees collected for bindery services, and rental income from leased Department of Corrections' land.

Lake Lodge Fund - accounts for operations of a cafeteria maintained for the convenience of Department of Corrections penitentiary employees.

Commissary Fund - accounts for operations of the commissary. Profits are used for the special benefit of the penitentiary's residents.

Veterans' Farm and Home Board

Veterans' Farm and Home Board Fund - provides home mortgage loans to qualified Mississippi veterans and accounts for administrative expenses of the Veterans' Farm and Home Board. Revenue is derived from interest earned on loans.

STATE OF MISSISSIPPI

Enterprise Funds Descriptions

Memorial Stadium Commission

Memorial Stadium Commission Fund - accounts for operations of the stadium, including the payment of maturing bond interest and principal. Funding is provided by admission fees and concessions. Universities that participate in football games at the stadium receive a portion of the gate receipts as an operating transfer.

Bureau of Surplus Property

Bureau of Surplus Property Fund - receives and maintains an inventory of surplus federal property and redistributes it to state agencies and departments, counties, municipalities, and other eligible donees within the State. Fees are collected from the donees to offset operating costs.

Port Authority at Gulfport

Port Authority at Gulfport Fund - accounts for operations of a public port providing facilities for foreign and domestic trade. Revenue sources include gross receipts from port operations, proceeds from bond issues, and interest income. Expenses include port operation, construction, and the payment of maturing bond interest and principal.

Yellow Creek Inland Port Authority

Yellow Creek Inland Port Authority Fund - accounts for operations of a public port facility at the conjunction of the Tennessee River and Yellow Creek in Tishomingo County, Mississippi. All costs of operating this port are accounted for in this fund, including construction costs and the payment of maturing bond interest and principal. Funding is provided by gross receipts from port operations, proceeds from bond issues, and interest income.

Department of Rehabilitation Services

Allied Enterprises Fund - accounts for a statewide system of sheltered workshop facilities through which handicapped citizens receive work experience to prepare them for employment outside of the Allied Enterprises setting. Revenue is generated from the sale of goods and services and operating transfers from the rehabilitation services fund.

Mississippi Housing Finance Corporation

Mississippi Housing Finance Corporation Fund - provides monies to finance the acquisition, construction, rehabilitation, and improvement of residential housing for lower and moderate income families within the State. Funding is derived from interest earned on mortgage loans, investment income, and proceeds from the issuance of revenue bonds.

Mississippi Industries for the Blind

Mississippi Industries for the Blind Fund - accounts for expenses relating to the establishment of industries, businesses, shops, and workshops primarily for the employment of blind persons, the procurement of materials for use in rehabilitating blind persons for employment, and the employment of blind persons and the marketing of their products. Revenue is derived principally from the sale of goods manufactured.

Mississippi Hospital Equipment Financing Authority

Mississippi Hospital Equipment Financing Authority Fund - accounts for the proceeds of bond issuances used primarily for the purpose of paying for or making loans to participating Mississippi hospital institutions for financing or refinancing of all or any part of the cost of hospital equipment and for refunding outstanding bonds. Expenses include administrative and bond issuance costs. Additional funding is provided by interest on loans and investments.

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STATE OF MISSISSIPPI

Combining Balance Sheet
Enterprise Funds
June 30, 1985

	Department of Agriculture and Commerce			Department of Public Safety	Department of Economic Development		Department of Natural Resources
	Division of Lime	Authority for Control of Fire Ants	Farmers' Central Market Board	Commissary	Certified Development Company, Inc.,	Fair Commission	Water Pollution Abatement Revolving Loan
Assets:							
Current assets:							
Cash and cash equivalents	$ 54,338	$ 177,247	$ 10,685	$ 96	$ 5,620,684	$1,287,225	$ 2,936,605
Receivables, net:							
Accounts	50,215		7,431			5,797	
Interest					53,593	4,799	
Loans - current portion					174,252		96,286
Due from other governments - current portion		6,529					
Interfund receivables		50,000					
Inventories		9,443					
Unamortized bond issuance costs							
Goodwill, net		57,244					
Prepaid expenses	1,332	5,669				1,867	
Total Current Assets	105,885	306,132	18,116	96	5,848,529	1,299,688	3,032,891
Long-term investments					149,580		
Loans receivable, net of current portion							30,370,326
Land		3,255	38,280			945,130	
Buildings and improvements, net	445,862	104,853	877,560			4,781,301	
Machinery and equipment, net	867,508	186,236	39,141		6,336	311,164	
Construction in progress						63,389	
Total Assets	$1,419,255	$ 600,476	$ 973,097	$ 96	$ 6,004,445	$7,400,672	$ 33,403,217
Liabilities:							
Current liabilities:							
Accounts payable and accruals	$ 42,400	$ 1,444	$ 5,166	$	$ 696	$ 43,531	$
Interfund payables	100,000	1,552	413			130,617	
Loans and notes payable - current portion						153,333	
Current portion of long-term debt						35,000	
Deferred revenues							
Other liabilities					303,385		
Total Current Liabilities	142,400	2,996	5,579		304,081	362,481	
Loans and notes payable, net of current portion	43,621		194,853				
Long-term debt - bonds payable, net of current portion and unamortized discount						278,000	
Accrued compensated absences	14,472	6,316	11,824			42,639	
Total Liabilities	200,493	9,312	212,256		304,081	683,120	
Fund Equity:							
Contributed capital		390	8,312		4,994,701		
Retained earnings:							
Reserved for bond retirement							
Unreserved	1,218,762	590,774	752,529	96	705,663	6,717,552	33,403,217
Total Fund Equity	1,218,762	591,164	760,841	96	5,700,364	6,717,552	33,403,217
Total Liabilities and Fund Equity	$1,419,255	$ 600,476	$ 973,097	$ 96	$ 6,004,445	$7,400,672	$ 33,403,217

STATE OF MISSISSIPPI

Combining Balance Sheet
Enterprise Funds
June 30, 1985

Department of Corrections			Veterans' Farm and Home Board	Memorial Stadium Commission	Bureau of Surplus Property	Port Authority at Gulfport	Yellow Creek Inland Port Authority	Department of Rehabilitation Services				
Prison Industries	Lake Lodge	Commissary						Allied Enterprises	Mississippi Housing Finance Corporation	Mississippi Industries for the Blind	Mississippi Hospital Equipment Financing Authority	Total
$1,003,597	$31,116	$ 232,764	$ 1,869,627	$1,818,191	$ 90,517	$ 5,170,716	$ 184,712	$ 458,052	$ 411,172	$ 1,226,055	$14,342,697	$ 36,926,096
98,007	8,148	32,895	3,675	65,122	75,205	523,561	56,316	793,000	750,663	1,447,831		3,917,866
			5,304,985			22,100			5,963,859			6,044,351
						21,473			5,500,000		2,281,116	13,378,112
												6,529
212,078	14,046	84,718						160,071		3,352,322		50,000
									841,806		933,746	3,832,678
			50,000	1,511	1,608				6,060	25,220		1,775,552
												57,244
1,313,682	53,310	350,377	7,228,287	1,884,824	167,330	5,737,850	241,028	1,411,123	13,473,560	6,051,428	17,557,559	93,267
												66,081,695
			39,451,684			212,903			120,433,726			120,583,306
				143,000	100,000	24,000	949,174		242,561,085		9,124,466	321,720,464
388,174		10,748		4,006,678	177,440	13,939,183	166,082			12,500		2,215,339
232,175	17,362	27,398	8,980	33,618	41,007	1,861,708	375,630			657,596		25,555,477
										765,257		4,773,520
												63,389
$1,934,031	$70,672	$ 388,523	$46,688,951	$6,068,120	$485,777	$21,775,644	$1,731,914	$ 1,411,123	$376,468,371	$ 7,486,781	$26,682,025	$540,993,190
$ 85,174	$15,727	$ 49,294	$ 639,622	$ 229,071	$ 18,582	$ 176,734	$ 70,344	$ 174,919	$ 11,633,453	$ 1,251,281	$ 974,094	$ 15,411,532
1,575		15,258	1,032					36,306				286,753
								64,018				217,351
				125,000		1,028,000	105,000		3,400,000			4,693,000
									1,752,335			1,752,335
												303,385
86,749	15,727	64,552	640,654	354,071	18,582	1,204,734	175,344	275,243	16,785,788	1,251,281	974,094	22,664,356
				1,000,000					4,000,000			5,238,474
				2,760,000		19,632,000	595,000		345,057,173		25,565,000	393,887,173
25,973			24,416	7,698	30,643	44,628	9,388			410,712		628,709
112,722	15,727	64,552	665,070	4,121,769	49,225	20,881,362	779,732	275,243	365,842,961	1,661,993	26,539,094	422,418,712
										3,301,370		8,304,773
				332,630								332,630
1,821,309	54,945	323,971	46,023,881	1,613,721	436,552	894,282	952,182	1,135,880	10,625,410	2,523,418	142,931	109,937,075
1,821,309	54,945	323,971	46,023,881	1,946,351	436,552	894,282	952,182	1,135,880	10,625,410	5,824,788	142,931	118,574,478
$1,934,031	$70,672	$ 388,523	$46,688,951	$6,068,120	$485,777	$21,775,644	$1,731,914	$ 1,411,123	$376,468,371	$ 7,486,781	$26,682,025	$540,993,190

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenses and Changes in Fund Equity
Enterprise Funds
For the Year Ended June 30, 1985

	Department of Agriculture and Commerce			Department of Public Safety	Department of Economic Development		Department of Natural Resources
	Division of Lime	Authority for Control of Fire Ants	Farmers' Central Market Board	Commissary	Certified Development Company, Inc.,	Fair Commission	Water Pollution Abatement Revolving Loan
Operating Revenues:							
Charges for sales and services	$ 491,119	$ 24,341	$	$ 13,573	$	$	$
Interest income	1,542			15	490,560	67,925	
Rental income			198,706			2,112,135	
Other	10,123		62,227		68,825	65,384	79,732
Total Operating Revenues	502,784	24,341	260,933	13,588	559,385	2,245,444	79,732
Operating Expenses:							
Cost of goods sold		124,701		15,928			
Personal services	236,027	77,308	142,568			600,489	
Travel	316	4,845	1,476		4,886	3,717	
Contractual services	175,412	17,102	56,080		9,008	1,387,602	
Commodities	50,749	4,556	12,277		361	129,497	45,222
Interest			49,970				
Depreciation	169,092	16,179			3,169	257,204	
Amortization of goodwill and bond issuance costs		1,857					
Other	7,409		1,259		102,866	21,210	
Total Operating Expenses	639,005	246,548	263,630	15,928	120,290	2,399,719	45,222
Operating Income (Loss)	(136,221)	(222,207)	(2,697)	(2,340)	439,095	(154,275)	34,510
Nonoperating Revenues:							
Gain on disposal of fixed assets							
Other		13,301					
Total Nonoperating Revenues		13,301					
Nonoperating Expenses	113	294	4,082				
Income (Loss) Before Operating Transfers	(136,334)	(209,200)	(6,779)	(2,340)	439,095	(154,275)	34,510
Operating transfers from General Fund						86,449	
Operating transfers from (to) Other Funds						(33,138)	
Net Income (Loss)	(136,334)	(209,200)	(6,779)	(2,340)	439,095	(100,964)	34,510
Fund Equity July 1, 1984, as Previously Reported	1,389,747	799,974	759,281	2,436	266,568	6,829,353	33,368,707
Prior Period Adjustments	(34,651)		27			(10,837)	
Fund Equity July 1, 1984, as Restated	1,355,096	799,974	759,308	2,436	266,568	6,818,516	33,368,707
Fund Equity June 30, 1985	$1,218,762	$ 590,774	$ 752,529	$ 96	$ 705,663	$6,717,552	$ 33,403,217

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenses and Changes in Fund Equity
Enterprise Funds
For the Year Ended June 30, 1985

	Department of Corrections			Veterans' Farm and Home Board	Memorial Stadium Commission	Bureau of Surplus Property	Port Authority at Gulfport	Yellow Creek Inland Port Authority	Department of Rehabilitation Services Allied Enterprises	Mississippi Housing Finance Corporation	Mississippi Industries for the Blind	Mississippi Hospital Equipment Financing Authority	Total
	Prison Industries	Lake Lodge	Commissary										
	$ 521,345	$193,467	$1,082,985	$	$1,037,975	$496,357	$ 4,510,496	$ 350,033	$ 4,864,236	$	$15,201,196	$	$ 28,787,123
	500,000	1,386	13,653	5,179,733	112,541		39,958		21,565	37,593,419	99,470	2,139,744	43,761,511
	32,783												2,825,419
				100,221	13,381		1,700	14,578		4,398,731	5,996	126,550	4,965,653
	1,054,128	194,853	1,096,638	3,279,954	1,163,897	496,357	4,552,154	364,611	4,885,801	41,992,150	15,306,662	2,266,294	80,339,706
	201,799	151,882	823,989										14,606,537
	252,196	18,476	44,356	238,143	153,473	339,263	1,412,013	148,446	5,415,185	45,324	13,288,238		10,012,041
	2,725		7,643	19,204	619	9,778	21,778	3,060	159,993	132,733	888,774		240,040
	170,648	1,087	42,302	63,219	554,453	53,076	733,182	75,205	774,624			25,500	4,271,233
	127,501	550	30,195	8,211	48,316	44,340	388,345	28,946	2,237,593	35,660,308		1,856,190	3,156,659
	50,244	541			211,328		986,344			52,288	153,925		38,814,925
			342	1,736	223,640		766,257	135,444		509,052	1,032,902	231,267	1,726,988
		591	22,881	88	67	15,523						10,406	285,412
	805,113	173,127	971,708	330,601	1,191,896	461,980	4,307,919	391,101	8,587,395	36,399,705	15,363,839	2,123,363	1,724,254
	249,015	21,726	124,930	2,949,353	(27,999)	34,377	244,235	(26,490)	(3,701,594)	5,592,445	(57,177)	142,931	74,838,089
						1,886		12,457					5,501,617
						1,886		102,902					
	249,015	21,726	124,930	2,949,353	(27,999)	36,263	244,235	115,359	(3,701,594)	1,315,782			14,343
								1,279		4,276,663	(57,177)	142,931	116,203
	249,015	21,726	124,930	2,949,353	(52,695)			87,590					130,546
	1,572,294	33,219	199,041	43,074,528	(80,694)	36,263	244,235	(5,129)	3,877,428	4,276,663		142,931	1,321,550
					2,027,045	400,289	650,047	82,461	175,854		(57,177)		4,310,615
	1,572,294	33,219	199,041	43,074,528	2,027,045	400,289	650,047	891,049	929,459	4,276,663		142,931	86,449
	$1,821,309	$ 54,945	$ 323,971	$46,023,881	$1,946,351	$436,552	$ 894,282	(21,328)	30,587	6,348,747	2,580,595	-0-	3,786,466
								869,721	960,046				8,183,528
								$ 952,182	$ 1,135,880	6,348,747	2,580,595	-0-	102,122,379
										$10,625,410	$ 2,523,418	$ 142,931	(36,202)
													102,086,177
													$110,269,705

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INTERNAL SERVICE FUNDS

Internal service funds are used to account for the operations of state agencies that provide services or goods to other state agencies or governmental units on a cost reimbursement basis.

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STATE OF MISSISSIPPI

Internal Service Funds Descriptions

Personnel Board

Personnel Administration Fund - accounts for the expenses of establishing personnel policies, regulating the pay of state employees, and testing and validating new hires. Revenues consist of assessments charged to state agencies based on the number of authorized positions.

Personnel Test Validation Fund - accounts for the expenses of assuring the validity of tests given for promotions and new hires. Funding is provided by transfers from the General Fund and charges to user agencies.

Central Data Processing Authority

Data Processing Services Fund - accounts for the purchase, maintenance, and operation of centralized data processing and information devices used by state agencies. Revenues consist of charges to user agencies.

Planning and Policy Fund - accounts for expenses related to planning and policies for the development of data processing capabilities for state agencies. Revenues consist of charges to user agencies.

Telecommunications Fund - accounts for the maintenance, coordination, and usage of the State's central telephone system and the universities' central telephone systems. Revenues consist of charges to user agencies and universities for service and equipment.

Equipment Purchase Fund - accounts for financing activities in connection with the purchase of data processing equipment for state agencies and universities.

STATE OF MISSISSIPPI

Combining Balance Sheet
Internal Service Funds
June 30, 1985

	Personnel Board		Central Data Processing Authority				
	Personnel Administration	Personnel Test Validation	Data Processing Services	Planning and Policy	Telecommunications	Equipment Purchase	Total
Assets:							
Current assets:							
Cash and cash equivalents	$ 690,698	$ 43	$3,517,702	$194,297	$ 324,871	$ 608,174	$ 5,335,785
Accounts receivable	10,207		2,045	30,975	450,260		493,487
Interfund receivables			539,927			717,046	1,256,973
Total Current Assets	700,905	43	4,059,674	225,272	775,131	1,325,220	7,086,245
Restricted assets						1,577,180	1,577,180
Machinery and equipment, net	149,035		3,141,349	818	1,476,709		4,767,911
Total Assets	$ 849,940	$ 43	$7,201,023	$226,090	$ 2,251,840	$2,902,400	$13,431,336
Liabilities:							
Current liabilities:							
Accounts payable and accruals	$ 12,560	$	$ 163,168	$ 8,731	$ 493,743	$	$ 678,202
Interfund payables	50,908		62,024		12,350	607,870	733,152
Lease obligations payable, current portion			101,621		727,379		829,000
Total Current Liabilities	63,468		326,813	8,731	1,233,472	607,870	2,240,354
Accrued compensated absences	69,708		123,625	16,261	14,450		224,044
Loans from other funds						2,287,030	2,287,030
Lease obligations payable, net of current portion			238,689		491,957		730,646
Total Liabilities	133,176		689,127	24,992	1,739,879	2,894,900	5,482,074
Fund Equity:							
Retained earnings, unreserved	716,764	43	6,511,896	201,098	511,961	7,500	7,949,262
Total Liabilities and Fund Equity	$ 849,940	$ 43	$7,201,023	$226,090	$ 2,251,840	$2,902,400	$13,431,336

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenses and Changes in Fund Equity
Internal Service Funds
For the Year Ended June 30, 1985

	Personnel Board		Central Data Processing Authority				
	Personnel Administration	Personnel Test Validation	Data Processing Services	Planning and Policy	Telecommunications	Equipment Purchase	Total
Operating Revenues:							
Charges for goods and services	$ 1,983,323	$	$5,311,001	$ 43,648	$ 3,265,893	$	$10,603,865
Operating Expenses:							
Personal services:							
Salaries, wages and fringe benefits	1,236,605		1,389,475	77,908	221,288		2,925,276
Travel	20,492		27,938	3,777	11,373		63,580
Contractual services	375,017	450,000	1,384,956	10,473	2,559,910		4,780,356
Commodities	35,950		112,960	392	6,853		156,155
Depreciation	37,673		1,059,501		209,965		1,307,139
Total Operating Expenses	1,705,737	450,000	3,974,830	92,550	3,009,389		9,232,506
Operating Income (Loss)	277,586	(450,000)	1,336,171	(48,902)	256,504		1,371,359
Nonoperating Expenses:							
Interest			61,944		120,101		182,045
Income (Loss) Before Operating Transfers	277,586	(450,000)	1,274,227	(48,902)	136,403		1,189,314
Operating transfers from (to) internal service funds	(65,835)	65,836	(250,000)	250,000			1
Operating transfers from General Fund		225,000	276,246		125,905		627,151
Net Income (Loss)	211,751	(159,164)	1,300,473	201,098	262,308		1,816,466
Fund Equity July 1, 1984, as Previously Reported	505,013	159,207	1,926,713	-0-	249,653	7,500	2,848,086
Prior Period Adjustments			3,284,710				3,284,710
Fund Equity July 1, 1984, as Restated	505,013	159,207	5,211,423	-0-	249,653	7,500	6,132,796
Fund Equity June 30, 1985	$ 716,764	$ 43	$6,511,896	$201,098	$ 511,961	$ 7,500	$ 7,949,262

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TRUST AND AGENCY FUNDS

Trust and agency funds are used to account for assets held by the State in a fiduciary capacity.

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STATE OF MISSISSIPPI

Significant Trust and Agency Funds Descriptions

EXPENDABLE TRUST FUNDS.

Fiscal Management Board

Group Insurance Fund - accounts for resources and transactions pertaining to the State's self-insured medical plan and life insurance program. State employees' premiums are funded by the State. Additional funding is provided by retired employees and by active employees for spouse and dependent medical coverage. Administrative expenses and benefits to eligible claimants are paid from this fund.

State Employees' Unemployment Insurance Fund - accounts for unemployment benefits paid to eligible former state employees. Funding is provided by premiums collected from the State's operating funds.

Employment Security Commission

Unemployment Compensation Fund - accounts for the collection of unemployment insurance taxes from employers and the payment of unemployment benefits to eligible claimants. Funds are also provided by the federal government. Administrative expenses incurred by the Employment Security Commission are accounted for in a special revenue fund.

NONEXPENDABLE TRUST FUND.

School for the Blind

School for the Blind Endowment Fund - accounts for endowment trusts whose income is used for the benefit of blind children at the school.

Treasurer

Oil and Gas Taxes on State-owned Land Fund - accounts for oil and gas taxes collected on state-owned lands and transferred from the General Fund. The principal is required by statute to remain inviolate. Income derived from the investment of the principal may be appropriated for specific uses by the Legislature.

Department of Archives and History

Dunbar Rowland Fund - provides for funds to purchase books and historical manuscripts.

Stonewall Jackson Memorial Fund - provides for funds to award higher education scholarship awards to winners of an essay contest.

PENSION TRUST FUNDS.

Public Employees' Retirement System Fund - provides retirement and disability coverage to substantially all employees of the State and its political subdivisions. Benefits are funded by contributions from the members, the State, and political subdivisions and by investment income.

Highway Safety Patrol Retirement System Fund - provides retirement and disability benefits to uniformed officers of the Department of Public Safety. Benefits are funded by contributions of the members and the state driver's license reinstatement fees, and investment income.

AGENCY FUNDS.

Deferred Compensation Plan Fund - accounts for deposits of gross compensation deferred by employees of the State and its political subdivisions. These deposits are invested until the retirement, severance from public service, death, or extreme hardship of the individual participants.

STATE OF MISSISSIPPI

Significant Trust and Agency Funds Descriptions

Social Security Fund - accounts for contributions received or due from the State and the various political subdivisions that are due to the federal Social Security Administration.

Local Government Distributive Fund - serves as a clearing mechanism for funds distributed to the various counties and municipalities of the State.

Program Fund - accounts for receipt of various taxes, refundable deposits, and other monies collected or recovered to be held until the State has the right or obligation to distribute them to state operating funds or to various entities or individuals.

Institutional Fund - accounts for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

Highway Refunded Bonds Fund - serves as a clearing mechanism to account for funds earned on escrow funds held for highway bonds that have been fully defeased. The funds are transferred to the paying agent to pay bonds and coupons that mature.

STATE OF MISSISSIPPI

Combining Balance Sheet
Trust and Agency Funds
June 30, 1985

	Trust				
	Expendable	Nonexpendable	Pension	Agency	Total
Assets:					
Cash and cash equivalents	$ 11,952,248	$ 13,403,561	$ 369,945,084	$ 16,875,119	$ 412,176,012
Amount on deposit with U.S. Treasury	311,488,064				311,488,064
Investments	15,128	13,662	1,783,415,503	69,616,581	1,853,060,374
Receivables:					
Interest and dividends	7,179	71,604			78,783
Due from other governments	5,383,668				5,383,668
Other	448,239		94,618,112	1,015,095	96,081,446
Interfund receivables	2,856,177		56,411,833	46,117,110	105,385,120
Land			508,000		508,000
Buildings and improvements, net			3,048,555		3,048,555
Machinery and equipment, net			213,887		213,887
Total Assets	$332,150,703	$ 13,488,827	$2,308,160,974	$133,623,905	$2,787,424,409
Liabilities:					
Accounts payable and accruals	$ 7,350,266	$ 612	$ 68,844,232	$ 1,425	$ 76,196,535
Due to other governments				54,527,521	54,527,521
Interfund payables	98,411		102,528,943	223,123	102,850,477
Amounts held in custody for others				71,854,836	71,854,836
Other liabilities			115,746	7,017,000	7,132,746
Total Liabilities	7,448,677	612	171,488,921	133,623,905	312,562,115
Fund Balances:					
Reserved for:					
Pension benefits			2,136,672,053		2,136,672,053
Life and health insurance benefits	6,169,097				6,169,097
Unemployment compensation benefits	318,480,166				318,480,166
Other		13,488,215			13,488,215
Unreserved:					
Designated	52,763				52,763
Total Fund Balances	324,702,026	13,488,215	2,136,672,053		2,474,862,294
Total Liabilities and Fund Balances	$332,150,703	$ 13,488,827	$2,308,160,974	$133,623,905	$2,787,424,409

STATE OF MISSISSIPPI

Combining Balance Sheet
Expendable Trust Funds
June 30, 1985

	Fiscal Management Board		Employment Security Commission		
	Group Insurance	State Employees' Unemployment Insurance	Unemployment Compensation	Other	Total
Assets:					
Cash and cash equivalents	$ 8,044,588	$ 4,157,324	$ (320,445)	$ 70,781	$ 11,952,248
Amount on deposit with U.S. Treasury			311,488,064		311,488,064
Investments				15,128	15,128
Receivables:					
Interest	7,179				7,179
Due from other governments	4,153,979	954,182	275,507		5,383,668
Other	36,438		411,801		448,239
Interfund receivables		2,802,925	53,252		2,856,177
Total Assets	$12,242,184	$ 7,914,431	$311,908,179	$ 85,909	$332,150,703
Liabilities:					
Accounts payable and accruals	$ 6,073,087	$ 305,688	$ 938,345	$ 33,146	$ 7,350,266
Interfund payables			98,411		98,411
Total Liabilities	6,073,087	305,688	1,036,756	33,146	7,448,677
Fund Balances:					
Reserved for:					
Life and health insurance benefits	6,169,097				6,169,097
Unemployment compensation benefits		7,608,743	310,871,423		318,480,166
Unreserved:					
Designated				52,763	52,763
Total Fund Balances	6,169,097	7,608,743	310,871,423	52,763	324,702,026
Total Liabilities and Fund Balances	$12,242,184	$ 7,914,431	$311,908,179	$ 85,909	$332,150,703

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Expendable Trust Funds
For the Year Ended June 30, 1985

	Fiscal Management Board		Employment Security Commission		
	Group Insurance	State Employees' Unemployment Insurance	Unemployment Compensation	Other	Total
Revenues:					
Taxes	$	$	$140,094,658	$	$140,094,658
Employer premiums	43,281,749	2,513,163			45,794,912
Federal government			17,922,889		17,922,889
Interest income	354,741			5,628	360,369
Other			29,012,611	43,427	29,056,038
Total Revenues	43,636,490	2,513,163	187,030,158	49,055	233,228,866
Expenditures:					
Benefits	36,250,384	1,393,346	124,428,789		162,072,519
Administrative fees	915,341				915,341
Other				63,243	63,243
Total Expenditures	37,165,725	1,393,346	124,428,789	63,243	163,051,103
Excess of Revenues over (under) Expenditures	6,470,765	1,119,817	62,601,369	(14,188)	70,177,763
Other Financing Sources (Uses):					
Other operating transfers in (out)			(248,582)	20,000	(228,582)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	6,470,765	1,119,817	62,352,787	5,812	69,949,181
Fund Balances July 1, 1984, as Previously Reported	1,884,398	6,475,865	248,518,636	46,951	256,925,850
Restatement of Fund Balances	(2,186,066)	13,061			(2,173,005)
Fund Balances (Deficit) July 1, 1984, as Restated	(301,668)	6,488,926	248,518,636	46,951	254,752,845
Fund Balances June 30, 1985	$ 6,169,097	$ 7,608,743	$310,871,423	$ 52,763	$324,702,026

STATE OF MISSISSIPPI

Combining Balance Sheet
Nonexpendable Trust Funds
June 30, 1985

		Treasurer	Department of Archives and History			
	School for the Blind Endowment	Oil and Gas Taxes on State-owned Land	Dunbar Rowland	Stonewall Jackson Memorial	Other	Total
Assets:						
Cash and cash equivalents	$ 56,367	$13,310,787	$	$ 35,206	$1,201	$13,403,561
Investments			13,662			13,662
Interest receivable		70,568	376	660		71,604
Total Assets	$ 56,367	$13,381,355	$14,038	$ 35,866	$1,201	$13,488,827
Liabilities:						
Accounts payable and accruals	$	$	$	$ 612	$	$ 612
Fund Balances:						
Reserved for:						
Scholarships				35,254	1,201	36,455
Books and historical manuscripts			14,038			14,038
Students' activities	56,367					56,367
Education and vocational training		13,381,355				13,381,355
Total Fund Balances	56,367	13,381,355	14,038	35,254	1,201	13,488,215
Total Liabilities and Fund Balances	$ 56,367	$13,381,355	$14,038	$ 35,866	$1,201	$13,488,827

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonexpendable Trust Funds
For the Year Ended June 30, 1985

	School for the Blind Endowment	Treasurer Oil and Gas Taxes on State-owned Land	Department of Archives and History Dunbar Rowland	Department of Archives and History Stonewall Jackson Memorial	Other	Total
Operating Revenues:						
Interest income	$ 4,624	$ 1,492,581	$ 457	$ 2,345	$	$ 1,500,007
Oil and Gas Royalties		1,497,747				1,497,747
Total Operating Revenues	4,624	2,990,328	457	2,345		2,997,754
Operating Transfers In (Out)	(4,624)	(1,720,810)	1,063	(282)		(1,724,653)
Net Income	-0-	1,269,518	1,520	2,063		1,273,101
Fund Balances July 1, 1984	56,367	12,111,837	12,518	33,191	1,201	12,215,114
Fund Balances June 30, 1985	$ 56,367	$13,381,355	$14,038	$ 35,254	$1,201	$13,488,215

STATE OF MISSISSIPPI

Combining Balance Sheet
Pension Trust Funds
June 30, 1985

	Public Employees' Retirement System	Highway Safety Patrol Retirement System	Total
Assets:			
Current assets:			
Cash and cash equivalents	$ 369,934,588	$ 10,496	$ 369,945,084
Investments	1,783,415,503		1,783,415,503
Receivables:			
Loans, current portion	1,567,238		1,567,238
Other receivables	92,713,645	337,229	93,050,874
Interfund receivables		56,411,833	56,411,833
Total Current Assets	2,247,630,974	56,759,558	2,304,390,532
Land	508,000		508,000
Buildings, net	3,048,555		3,048,555
Machinery and equipment, net	213,887		213,887
Total Assets	$2,251,401,416	$56,759,558	$2,308,160,974
Liabilities:			
Accounts payable and accruals	$ 68,844,232	$	$ 68,844,232
Interfund payables	102,528,943		102,528,943
Other liabilities	115,746		115,746
Total Liabilities	171,488,921		171,488,921
Fund Balances:			
Reserved for Pension Benefits	2,079,912,495	56,759,558	2,136,672,053
Total Liabilities and Fund Balances	$2,251,401,416	$56,759,558	$2,308,160,974

STATE OF MISSISSIPPI

Combining Statement of Revenues, Expenses and Changes in Fund Balances
Pension Trust Funds
For the Year Ended June 30, 1985

	Public Employees' Retirement System	Highway Safety Patrol Retirement System	Total
Operating Revenues:			
Member contributions	$ 98,470,068	$ 832,869	$ 99,302,937
State contributions	143,154,954	3,280,270	146,435,224
Interest income	175,375,524	15,191	175,390,715
Dividend income	11,318,758		11,318,758
Net income from investment transactions	(44,536,619)		(44,536,619)
Total Operating Revenues	383,782,685	4,128,330	387,911,015
Operating Expenses:			
Benefits	105,464,532	2,242,946	107,707,478
Refunds	40,731,552	29,409	40,760,961
Administrative expenses:			
Personal services:			
Salaries, wages and fringe benefits	1,263,892		1,263,892
Travel	40,370		40,370
Contractual services	3,447,625		3,447,625
Commodities	59,247		59,247
Depreciation	42,241		42,241
Total Operating Expenses	151,049,459	2,272,355	153,321,814
Operating Income (Loss)	232,733,226	1,855,975	234,589,201
Nonoperating Revenues:			
Administrative fees		67,196	67,196
Driver's license reinstatement fees		638,640	638,640
Total Nonoperating Revenues		705,836	705,836
Income (Loss) Before Operating Transfers	232,733,226	2,561,811	235,295,037
Operating Transfers In		3,508,487	3,508,487
Operating Transfers (Out)	(3,508,487)		(3,508,487)
Net Income (Loss)	229,224,739	6,070,298	235,295,037
Fund Balances July 1, 1984, as Previously Reported	1,851,120,179	50,337,244	1,901,457,423
Restatement of Fund Balances	(432,423)	352,016	(80,407)
Fund Balances July 1, 1984, as Restated	1,850,687,756	50,689,260	1,901,377,016
Fund Balances June 30, 1985	$2,079,912,495	$56,759,558	$2,136,672,053

STATE OF MISSISSIPPI

Combining Statement of Changes in Financial Position
Pension Trust Funds
For the Year Ended June 30, 1985

	Public Employees' Retirement System	Highway Safety Patrol Retirement System	Total
Sources of Working Capital:			
Operations:			
Net income	$ 229,224,739	$6,070,298	$ 235,295,037
Items not requiring working capital:			
Depreciation	42,241		42,241
Total Sources of Working Capital	229,266,980	6,070,298	235,337,278
Uses of Working Capital			
Acquisition of machinery and equipment	1,366,683		1,366,683
Net Increase (Decrease) in Working Capital	$ 227,900,297	$6,070,298	$ 233,970,595
Elements of Net Increase (Decrease) in Working Capital:			
Cash and cash equivalents	$ 2,357,705	$ (44,021)	$ 2,313,684
Investments	284,359,790		284,359,790
Receivables:			
Interest and dividends	(37,721,237)	(14,787)	(37,736,024)
Interfund receivables		6,129,106	6,129,106
Accounts payable and accruals	22,451,360		22,451,360
Interfund payables	(52,246,216)		(52,246,216)
Other liabilities	8,698,895		8,698,895
Net Increase (Decrease) in Working Capital	$ 227,900,297	$6,070,298	$ 233,970,595

STATE OF MISSISSIPPI

Combining Balance Sheet
Agency Funds
June 30, 1985

	Deferred Compensation Plan	Social Security	Local Government Distributive	Program	Institutional	Highway Refunded Bonds	Total
Assets:							
Cash and cash equivalents	$	$	$ 8,437,214	$ 7,010,538	$ 1,386,068	$ 41,299	$ 16,875,119
Investments	62,948,774			6,609,807	58,000		69,616,581
Receivables:							
Other	822,468		900	144,316	47,411		1,015,095
Interfund receivables		46,117,110					46,117,110
Total Assets	$ 63,771,242	$46,117,110	$ 8,438,114	$13,764,661	$ 1,491,479	$ 41,299	$133,623,905
Liabilities:							
Accounts payable and accruals	$	$	$	$ 1,425	$	$	$ 1,425
Due to other governments		46,117,110	8,355,814	54,597			54,527,521
Interfund payables			82,300	62,388	78,435		223,123
Amounts held in custody for others	63,771,242			6,670,550	1,413,044		71,854,836
Other liabilities				6,975,701		41,299	7,017,000
Total Liabilities	$ 63,771,242	$46,117,110	$ 8,438,114	$13,764,661	$ 1,491,479	$ 41,299	$133,623,905

STATE OF MISSISSIPPI

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 1985

Fund	Assets: Cash and Cash Equivalents	Investments	Receivables	Interfund Receivables	Total Assets
Deferred Compensation Plan:					
Balance July 1, 1984	$ 2,151	$54,187,267	$ 965,401	$	$ 55,154,819
Additions	965,401	8,761,507	822,468		10,549,376
Deductions	967,552		965,401		1,932,953
Balance June 30, 1985	-0-	62,948,774	822,468		63,771,242
Social Security:					
Balance July 1, 1984	45,958,139				45,958,139
Additions				46,117,110	46,117,110
Deductions	45,958,139				45,958,139
Balance June 30, 1985	-0-			46,117,110	46,117,110
Local Government Distributive:					
Balance July 1, 1984	9,939,014				9,939,014
Additions	24,176,418		900		24,177,318
Deductions	25,678,218				25,678,218
Balance June 30, 1985	8,437,214		900		8,438,114
Program:					
Balance July 1, 1984	5,248,040	5,623,000	122,980		10,994,020
Additions	22,898,654	2,782,669	144,316		25,825,639
Deductions	21,136,156	1,795,862	122,980		23,054,998
Balance June 30, 1985	7,010,538	6,609,807	144,316		13,764,661
Institutional:					
Balance July 1, 1984	1,045,413	58,000	13,098		1,116,511
Additions	3,929,769	4,155	453,179		4,387,103
Deductions	3,589,114	4,155	418,866		4,012,135
Balance June 30, 1985	1,386,068	58,000	47,411		1,491,479
Highway Refunded Bonds					
Balance July 1, 1984	41,299				41,299
Additions	80,605,027				80,605,027
Deductions	80,605,027				80,605,027
Balance June 30, 1985	41,299				41,299

STATE OF MISSISSIPPI

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 1985

Liabilities					
Accounts Payable and Accruals	Due to Other Governments	Interfund Payables	Amounts Held in Custody for Others	Other Liabilities	Total Liabilities
$	$	$	$ 55,154,819	$	$ 55,154,819
			8,616,423		8,616,423
			63,771,242		63,771,242
	45,958,139				45,958,139
	46,117,110				46,117,110
	45,958,139				45,958,139
	46,117,110				46,117,110
	8,382,211	1,556,803			9,939,014
	9,503,154	11,915,410			21,418,564
	9,529,551	13,389,913			22,919,464
	8,355,814	82,300			8,438,114
	57,131	65,849	4,896,261	5,974,779	10,994,020
5,950	7,381,036	4,713,834	3,455,788	5,017,857	20,574,465
4,525	7,383,570	4,717,295	1,681,499	4,016,935	17,803,824
1,425	54,597	62,388	6,670,550	6,975,701	13,764,661
		18,526	1,097,985		1,116,511
		648,531	3,738,572		4,387,103
		588,622	3,423,513		4,012,135
		78,435	1,413,044		1,491,479
				41,299	41,299
				80,605,027	80,605,027
				80,605,027	80,605,027
				41,299	41,299

STATE OF MISSISSIPPI

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 1985

Fund	Assets: Cash and Cash Equivalents	Investments	Receivables	Interfund Receivables	Total Assets
Total - All Agency Funds:					
Balance July 1, 1984	62,234,056	59,868,267	1,101,479		123,203,802
Additions	132,575,269	11,548,331	1,420,863	46,117,110	191,661,573
Deductions	177,934,206	1,800,017	1,507,247		181,241,470
Balance June 30, 1985	$ 16,875,119	$69,616,581	$ 1,015,095	$46,117,110	$133,623,905

STATE OF MISSISSIPPI

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 1985

Liabilities					
Accounts Payable and Accruals	Due to Other Governments	Interfund Payables	Amounts Held in Custody for Others	Other Liabilities	Total Liabilities
	54,397,481	1,641,178	61,149,065	6,016,078	123,203,802
5,950	63,001,300	17,277,775	15,810,783	85,622,884	181,718,692
4,525	62,871,260	18,695,830	5,105,012	84,621,962	171,298,589
$ 1,425	$54,527,521	$ 223,123	$ 71,854,836	$ 7,017,000	$133,623,905

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GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group is maintained to account for fixed assets acquired for general governmental purposes. These include all fixed assets except those accounted for in the proprietary and fiduciary fund types.

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STATE OF MISSISSIPPI

Schedule of General Fixed Assets by Function
June 30, 1985

Function	Land	Buildings	Improvements Other Than Building	Machinery and Equipment	Total
General government	$ 6,266,852	$ 54,323,876	$ 1,748,410	$ 15,515,989	$ 77,855,127
Education	198,960	8,768,495	799,977	85,339,047	95,106,479
Health and social services	879,615	88,191,723	6,338,547	43,110,366	138,520,251
Law, justice and public safety	4,278,039	94,440,543	2,465,705	27,214,500	128,398,787
Recreation and resources development	31,682,931	43,673,339	682,727	26,868,512	102,907,509
Regulation of business and professions		1,502,770	47,724	1,622,739	3,173,233
Transportation	2,467,470	10,310,907		57,586,066	70,364,443
Total General Fixed Assets Allocated to Functions	45,773,867	301,211,653	12,083,090	257,257,219	616,325,829
Construction in progress					31,184,866
Total General Fixed Assets					$647,510,695

STATE OF MISSISSIPPI

Schedule of Changes in General Fixed Assets
For the Year Ended June 30, 1985

	Balance July 1, 1984	Additions	Deletions	Balance June 30, 1985
Land	$ 43,718,261	$ 2,062,002	$ 6,396	$ 45,773,867
Buildings	282,761,250	18,675,755	225,352	301,211,653
Improvements other than buildings	12,016,279	332,418	265,607	12,083,090
Machinery and equipment	230,288,711	40,196,985	13,228,477	257,257,219
Construction in progress	641,428,333	20,621,784	630,865,251	31,184,866
Total	$1,210,212,834	$81,888,944	$644,591,083	$ 647,510,695

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

General Long-term Obligations Account Group is maintained to account for the State's unmatured general obligation bonds and revenue bonds, for accrued compensated absences for employees paid from the governmental fund types, and for capital lease obligations.

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STATE OF MISSISSIPPI

Schedule of Changes in General Long-term Obligations
For the Year Ended June 30, 1985

	General Obligation Bonds	Revenue Bonds	Accrued Compensated Absences	Capital Lease Obligations	Total
Balance at July 1, 1984	$741,114,000	$ 80,000	$27,080,971	$ 1,814,345	$770,089,316
Compensated absences earned			11,197,675		11,197,675
Increase in lease obligations				2,705,297	2,705,297
Principal retirements and defeased bonds	(22,596,000)	(20,000)		(961,262)	(23,577,262)
Compensated absences taken			(8,969,724)		(8,969,724)
Balance at June 30, 1985	$718,518,000	$ 60,000	$29,308,922	$ 3,558,380	$751,445,302